

*This prospectus supplement, together with the amended and restated base shelf short form prospectus dated December 21, 2010 amending and restating the base shelf short form prospectus dated July 6, 2010 (the "short form base shelf prospectus") to which it relates, as amended or supplemented, and each document deemed to be incorporated by reference into the short form base shelf prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. See "Plan of Distribution".*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws and, subject to certain exceptions from the registration requirements of the U.S. Securities Act and applicable state securities laws, may not be offered, sold or delivered in the United States. This prospectus supplement does not constitute an offer to sell, or a solicitation of an offer to buy, any of the securities offered hereby within the United States. See "Plan of Distribution".*

*Information has been incorporated by reference in this prospectus supplement and into the short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Senior Vice President and Chief Financial Officer of RioCan Real Estate Investment Trust at RioCan Yonge Eglinton Centre, 2300 Yonge Street, Suite 500, P.O. Box 2386, Toronto, Ontario, M4P 1E4 (Telephone (416) 866-3033), and are also available electronically at [www.sedar.com](http://www.sedar.com).*

## PROSPECTUS SUPPLEMENT

### To the Amended and Restated Base Shelf Short Form Prospectus dated December 21, 2010 Amending and Restating the Base Shelf Short Form Prospectus dated July 6, 2010

New Issue

November 21, 2011

#### RIOCAN REAL ESTATE INVESTMENT TRUST (a trust created under the laws of Ontario)

**\$149,500,000**

#### **5,980,000 Preferred Units, Series C**

This prospectus supplement qualifies the distribution (the "**Offering**") of 5,980,000 Preferred Units, Series C ("**Series C Units**") of RioCan Real Estate Investment Trust ("**RioCan**" or the "**Trust**") at a price of \$25.00 per Series C Unit (the "**Offering Price**") pursuant to an underwriting agreement dated November 21, 2011 (the "**Underwriting Agreement**") between RioCan and RBC Dominion Securities Inc., CIBC World Markets Inc., TD Securities Inc., BMO Nesbitt Burns Inc., Scotia Capital Inc., Macquarie Capital Markets Canada Ltd., National Bank Financial Inc., Canaccord Genuity Corp. and Raymond James Ltd. (collectively, the "**Underwriters**") and the Preferred Units, Series D ("**Series D Units**") which the Series C Units may be reclassified as, as further described below. The Offering Price was determined by negotiation between RioCan and the Underwriters. For the initial approximately five and a half year period commencing on the Closing Date (as defined herein) and ending on and including June 30, 2017 (the "**Initial Fixed Rate Period**"), the holders of Series C Units will be entitled to receive fixed cumulative preferential cash distributions, as and when declared by the board of trustees of the Trust (the "**Board of Trustees**"), payable quarterly on the last business day of March, June, September and December in each year at an annual rate equal to \$1.1750 per Series C Unit. The initial distribution will be payable on December 31, 2011 and is expected to be \$0.0998 per Series C Unit, based on the anticipated closing date of the Offering of November 30, 2011. The closing of the Offering shall be November 30, 2011, or such other date as RioCan and the Underwriters may agree, but in no event later than December 7, 2011 (the "**Closing Date**"). See "Details of the Offering".

For each five-year period after the Initial Fixed Rate Period (each, a "Subsequent Fixed Rate Period"), the holders of Series C Units will be entitled to receive fixed cumulative preferential cash distributions, as and when declared by the Board of Trustees, payable quarterly on the last business day of March, June, September and December during the Subsequent Fixed Rate Period, in an annual amount per Series C Unit determined by multiplying the Annual Fixed Distribution Rate (as defined herein) applicable to such Subsequent Fixed Rate Period by \$25.00. The Annual Fixed Distribution Rate for each Subsequent Fixed Rate Period will be equal to the sum of the Government of Canada Yield (as defined herein) on the 30th day prior to the first day of such Subsequent Fixed Rate Period plus 3.18%. See "Details of the Offering".

#### **Option to Reclassify as Series D Units**

The holders of Series C Units will have the right, at their option, to reclassify their Series C Units as Preferred Units, Series D ("**Series D Units**") of the Trust, subject to certain conditions, on June 30, 2017 and on June 30 every five years thereafter. The holders of Series D Units will be entitled to receive floating rate cumulative preferential cash distributions, as and when declared by the Board of Trustees, payable quarterly on the last business day of each Quarterly Floating Rate Period (as defined below), in the amount per Series D Unit determined by multiplying the applicable Floating Quarterly Distribution Rate (as defined herein) by \$25.00. The Floating Quarterly Distribution Rate will be equal to the sum of the T-Bill Rate (as defined herein) plus 3.18% (calculated on the basis of the actual number of days elapsed in the applicable Quarterly Floating Rate Period divided by 365) determined on the 30<sup>th</sup> day prior to the first day of the applicable Quarterly Floating Rate Period. See "Details of the Offering". The CRA (as hereinafter defined) has previously expressed the preliminary view that the reclassification of Preferred Units (hereinafter defined) having similar terms to the Series C Units and Series D Units would likely result in a taxable disposition at that time.

The Series C Units will not be redeemable by the trust prior to June 30, 2017. On June 30, 2017 and on June 30 every five years thereafter, subject to certain other restrictions set out in “Details of the Offering – Description of the Series C Units – Restrictions on Distributions and Retirement and Issue of Equity Interests”, the Trust may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem for cash all or from time to time any part of the outstanding Series C Units for \$25.00 per Series C Unit, together with all accrued and unpaid distributions up to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by the Trust). See “Details of the Offering”.

The Series C Units and the Series D Units do not have a fixed maturity date and are not redeemable at the option of the holders thereof. See “Risk Factors”.

DBRS Limited ("DBRS") has assigned a rating of Pfd-3 (High) for the Series C Units and Standard & Poor's ("S&P") has assigned a rating of P-3 (high) for the Series C Units.

There is currently no market through which these securities may be sold and purchasers may not be able to resell securities purchased under the Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “Risk Factors”.

The Toronto Stock Exchange (the “TSX”) has conditionally approved the listing of the Series C Units to be distributed under this prospectus supplement and the Series D Units which the Series C Units may be reclassified as. Listing is subject to RioCan fulfilling all the requirements of the TSX on or before February 15, 2012. The Series C Units will be listed on the TSX under the symbol “REI.PR.C”.

RioCan is an unincorporated “closed-end” trust constituted in accordance with the laws of the Province of Ontario pursuant to a declaration of trust that was most recently amended and restated as of December 6, 2010 (the “**Declaration of Trust**”). RioCan’s principal office is located at RioCan Yonge Eglinton Centre, 2300 Yonge Street, Suite 500, P.O. Box 2386, Toronto, Ontario, M4P 1E4.

**Price: \$25.00 per Series C Unit to yield initially 4.70% per annum**

	<b>Price to the Public <sup>(1)</sup></b>	<b>Underwriters’ Fee <sup>(2)</sup></b>	<b>Net Proceeds <sup>(3)</sup></b>
Per Unit .....	\$25.00	\$0.75	\$24.25
Total Offering <sup>(4)</sup> .....	\$149,500,000	\$4,485,000	\$145,015,000

(1) The Offering Price of the Series C Units was determined by negotiation among RioCan and the Underwriters.

(2) The Underwriters’ fee is \$0.25 for each Series C Unit sold to exempt institutions and \$0.75 for all other Series C Units sold. The totals set forth in the table represent the Underwriters’ fee and net proceeds assuming no Series C Units are sold to such exempt institutions. See “Plan of Distribution”.

(3) Before deducting the expenses of the Offering, estimated at \$340,000 that, together with the Underwriters’ Fee, will be paid from the proceeds of the Offering.

(4) RioCan granted the Underwriters an option (the “Underwriters’ Option”), exercisable in whole or in part at any one time up to 48 hours prior to closing of the Offering, to purchase up to 780,000 additional Series C Units at the initial Offering Price. Prior to the filing of this prospectus supplement, the Underwriters exercised the Underwriters’ Option in full. Accordingly, the total Price to the Public, Underwriters’ Fee (subject to the assumption in (2) above) and the Net Proceeds to RioCan will be \$149,500,000, \$4,485,000 and \$145,015,000, respectively. A purchaser who acquires Series C Units forming part of the Underwriters’ Option acquires those Series C Units under this prospectus supplement. Please see “Plan of Distribution”.

<b>Underwriters' Position</b>	<b>Maximum Number of Securities Available</b>	<b>Exercise Period</b>	<b>Exercise Price</b>
Underwriters' Option	Option to acquire up to 780,000 Series C Units	Exerciseable at any one time up to 48 hours prior to the closing of the Offering	\$25.00 per Series C Unit
Total securities under option issuable to Underwriters	Option to acquire up to 780,000 Series C Units	See above	\$25.00 per Series C Unit

**Prior to the filing of this prospectus supplement, the Underwriters exercised the Underwriters' Option in full. The aggregate offering of 5,980,000 Series C Units is inclusive of the 780,000 Series C Units contemplated under the Underwriters' Option.**

The Underwriters, as principals, conditionally offer the Series C Units, subject to the prior sale, if, as and when issued, sold and delivered by RioCan and accepted by the Underwriters in accordance with the conditions of the Underwriting Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of RioCan by Goodmans LLP and on behalf of the Underwriters by Torys LLP.

Subscriptions for the Series C Units will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of this Offering will take place on the Closing Date and it is expected that definitive certificates evidencing the Series C Units will be available for delivery in book-entry-only form through the services of CDS Clearing and Depository Services Inc. on or about the Closing Date.

**Certain of the Underwriters are subsidiaries of Canadian chartered banks or other financial institutions (the "Banks"). The Banks are lenders to RioCan. Consequently, RioCan may be considered to be a connected issuer of such Underwriters under applicable Canadian securities legislation. See "Plan of Distribution".**

**RioCan is not a trust company and, accordingly, is not registered under the *Trust and Loan Companies Act* (Canada) or the trust company legislation of any province as it does not carry on, nor does it intend to carry on, the business of a trust company.**

**Investing in the Series C Units involves risks. See "Risk Factors". Prospective investors should also be aware that the acquisition of Series C Units may have tax consequences in Canada. The Canadian federal income tax considerations that may arise in connection with the acquisition, holding, disposition or reclassification of preferred units of a trust are, in some respects, materially different from the acquisition, holding, disposition or exchange of preferred shares of a corporation. See "Principal Canadian Federal Income Tax Considerations" for a summary of certain Canadian federal income tax considerations generally applicable to a holder of Series C Units and/or Series D Units (a "Preferred Unitholder").**

Subject to applicable laws, the Underwriters may, in connection with the Offering, effect transactions that stabilize or maintain the market price of the Series C Units at levels other than those that might otherwise prevail on the open market in accordance with applicable stabilization rules. The Underwriters may offer the Series C Units at a price lower than that stated above. See "Plan of Distribution".

The Series C Units, and Series D Units which the Series C Units may be reclassified as, are being issued pursuant to the Declaration of Trust which authorizes the issuance of up to an aggregate of 50 million preferred units of the Trust ("Preferred Units"). As of the date hereof, an aggregate of 5,000,000 Preferred Units, Series A of the Trust ("Series A Units"), which may be reclassified into Preferred Units, Series B of the Trust ("Series B Units") at certain times in accordance with the terms thereof, are issued and outstanding.

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### DOCUMENTS INCORPORATED BY REFERENCE

This prospectus supplement is deemed, as of the date hereof, to be incorporated by reference into the accompanying short form base shelf prospectus (the "Prospectus") only for the purpose of the distribution of the Series C Units pursuant to the Offering.

The following documents of RioCan, which have been filed with the securities commission or similar authority in each of the provinces of Canada, are specifically incorporated by reference into the accompanying Prospectus as supplemented by this prospectus supplement:

- (a) RioCan's annual information form dated March 31, 2011;
- (b) the audited consolidated comparative financial statements and the notes thereto for the fiscal years ended December 31, 2010 and 2009 together with the auditors' report thereon, including management's discussion and analysis relating thereto;
- (c) RioCan's management information circular dated April 29, 2011 regarding RioCan's annual and special meeting of unitholders held on June 8, 2011; and
- (d) the unaudited condensed consolidated financial statements and the notes thereto for the three and nine month periods ended September 30, 2011, including management's discussion and analysis relating thereto (the "**Interim Financial Report**").

Any documents of the type referred to above or in Section 11.1 of Form 44-101F1, including any material change reports (excluding confidential reports), annual and interim financial statements (including management's discussion and analysis filed in connection with such annual and interim financial statements), and information circulars or annual filings that are filed by RioCan with the various securities commissions or any similar authorities in the provinces of Canada on

or after the date of this prospectus supplement and prior to the termination of the distribution under this prospectus supplement shall be deemed to be incorporated by reference into the Prospectus and this prospectus supplement.

Any statement contained in the Prospectus, in this prospectus supplement or in a document incorporated or deemed to be incorporated by reference in the Prospectus for the purposes of this distribution will be deemed to be modified or superseded, for purposes of the Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference into the Prospectus modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or included any other information set out in the document that it modifies or supersedes. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of the Prospectus for purposes of this distribution. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Upon a new annual information form and the related annual financial statements being filed by RioCan with, and, where required, accepted by the applicable securities regulatory authorities during the currency of this prospectus supplement, the previous annual information form, the previous annual financial statements and all interim financial statements, material change reports and annual filings or information circulars filed before the commencement of RioCan's fiscal year in which the new annual information form is filed will be deemed no longer to be incorporated by reference into the accompanying Prospectus for purposes of future offers and sales of Units (as defined below), debentures, and Preferred Units under the Prospectus.

## THE TRUST

RioCan is a Canadian real estate investment trust with a total capitalization of approximately \$11.9 billion as at September 30, 2011 (taking into account all of the Trust's issued and outstanding debt and equity securities) with its principal office located at RioCan Yonge Eglinton Centre, 2300 Yonge Street, Suite 500, P.O. Box 2386, Toronto, Ontario, M4P 1E4. RioCan is a reporting issuer in each of the Provinces and territories of Canada and the ordinary trust units of the Trust, which are not Preferred Units, ("Units") are listed on the TSX under the symbol "REI.UN". The Series A Units of the Trust are listed on the TSX under the symbol "REI.PR.A".

## RECENT DEVELOPMENTS

Consistent with RioCan's past practices and in the normal course of business, RioCan is engaged in discussions with respect to possible acquisitions of new properties and dispositions of existing properties in RioCan's portfolio. There can be no assurance that any of these discussions will result in a definitive agreement, and, if they do, what the terms or timing of any acquisition or disposition would be. RioCan expects to continue current discussions and actively pursue other acquisition, investment and disposition opportunities.

On November 4, 2011, RioCan announced that it successfully completed its previously announced issuance of an aggregate of 5,091,625 Units at a price of \$24.85 per Unit for aggregate gross proceeds of \$126,526,881.25.

On November 14, 2011, RioCan announced that it issued a notice of redemption to holders of its \$120 million 5.70% Series K senior unsecured debentures due September 11, 2012 (the "**Series K Debentures**"), representing a redemption in full of all of the currently outstanding Series K Debentures. The Series K Debentures will be redeemed on December 19, 2011, in accordance with their terms, at a total redemption price of \$1,032.08 (\$123,849,600.00 for the entire \$120 million principal amount outstanding) plus accrued and unpaid interest of \$15.46027 (\$1,855,232.88 for the entire \$120 million principal amount outstanding) to but excluding the redemption date, both per \$1,000 principal amount.

## **Portfolio Activity and Acquisition Pipeline – Income Producing Properties**

Since the time of its Interim Financial Report, RioCan completed the acquisition of a 100% interest in one income producing property in Canada at a purchase price of \$3.9 million with a weighted capitalization rate of 6.0% as detailed below.

RioCan, or joint ventures in which it holds an interest, currently have a number of income producing properties under various stages of due diligence or under firm contracts in Canada and the US. If completed, these income producing properties represent potential acquisitions of \$615.9 million (at 100%), or \$440.9 million at RioCan's interest (taking into account the US dollar transactions at an exchange rate of par). RioCan's proportionate share in these potential acquisitions varies from 50% to 100%.

Pursuant to firm purchase and sale agreements that are expected to be completed during the fourth quarter of 2011, RioCan has waived conditions for acquisitions of two income properties in Canada with an aggregate purchase price of \$280.0 million (at 100%), or \$140.0 million at RioCan's interest, and five income properties in the US with an aggregate purchase price of US\$244.8 million (at 100%), or US\$209.8 million at RioCan's interest. RioCan's proportionate share in these acquisitions varies from 50% to 100%.

RioCan currently has one portfolio acquisition of 100% interests in five properties in Canada under contract where conditions have not yet been waived that, if completed, represents \$91.1 million of acquisitions. It is expected that this transaction will be completed in the fourth quarter of 2011. This transaction is undergoing due diligence procedures and while efforts will be made to complete this transaction, no assurance can be given.

### **Acquisitions Completed Since the Interim Financial Report**

#### *Canada*

- On November 15, 2011, RioCan completed its acquisition of College Street LCBO, a 3,271 square foot single tenant retail property leased by the Liquor Control Board of Ontario with a lease term ending in 2031. The property is located near Bathurst Street and College Street in Toronto, Ontario. The property was acquired at a purchase price of \$3.9 million, which equates to a capitalization rate of 6.0%. The property was acquired free and clear of financing.

### **Acquisitions Under Contract (Firm) Since the Interim Financial Report**

Since the Interim Financial Report, RioCan has waived conditions pursuant to purchase and sale agreements with respect to the following two properties.

#### *Canada*

- On November 16, 2011, conditions pursuant to a purchase and sale agreement were waived to acquire Cookstown Outlet Mall on a co-ownership basis with Tanger Outlet Centers, Inc. ("Tanger"), a developer and manager of outlet shopping centers in the US. Cookstown Outlet Mall is an approximately 161,000 square foot property located in Innisfil, Ontario, approximately 50 kms north of the Greater Toronto Area, with the potential to expand the property to approximately 320,000 square feet. It features many national retailers such as Coach Outlet, BCBGMAXAZRIA, Tommy Hilfiger Outlet, Toys R Us Express and Rockport. The weighted average lease term for the property is 4 years. The property will be acquired on a 50/50 co-ownership basis at an expected purchase price of \$62 million (at 100%) or \$31 million at RioCan's interest, which includes the consideration paid for excess density. \$48 million of the full purchase price (at 100%) has been allocated to the income producing property and \$14 million has been allocated to the excess density. The capitalization rate on year one income (which excludes the portion for excess density) is 6.5%. RioCan will provide development and property management services and Tanger will provide leasing and marketing services. The co-ownership will assume the

in-place financing of \$30 million which carries an interest rate of 5.1% and matures in 2014.

#### *United States*

- On November 9, 2011, conditions pursuant to a purchase and sale agreement were waived to acquire Timber Creek Crossing, a 470,354 square foot new format retail centre located in Dallas, Texas. The property, built in 2011, is anchored by Walmart, Sam's Club, and JC Penney all on ground leases. Other tenants include Del Taco, Sears, SportClips, Verizon, Chick-Fil-A and Bank of America. The weighted average lease term for the property is 17 years. The property will be acquired on an 80/20 joint venture basis with Dunhill Partners ("Dunhill"), a commercial real estate investment firm (80% RioCan/20% Dunhill) at a purchase price of US\$82 million (at 100%) or US\$65.6 million at RioCan's interest, which equates to a capitalization rate of 6.1%. Dunhill will manage the property on behalf of the joint venture. In connection with the purchase the joint venture will place conventional third party financing on the property of US\$45.3 million (at 100%) or US\$36.2 million at RioCan's interest with an interest rate of 4.15% for a ten-year term.

#### Acquisitions Under Contract (Conditional)

RioCan also currently has one portfolio of five properties in Canada under contract where conditions have not yet been waived that, if completed, represents \$91.1 million of acquisitions at RioCan's interest. It is expected that this transaction will be completed in the fourth quarter of 2011. This transaction is in various stages of due diligence and while efforts will be made to complete this transaction, no assurance can be given.

#### Acquisitions Forming Part of Development Pipeline

RioCan or joint ventures in which it holds an interest currently have a number of development properties under various stages of due diligence or under firm contracts in Canada. If completed, these development properties represent potential acquisitions of \$151.8 million (at 100%) or \$97.6 million at RioCan's interest. RioCan's proportionate share in these potential acquisitions varies from 50% to 100%.

RioCan has waived conditions pursuant to a purchase agreement for the acquisition of a 100% interest in Sage Hill Crossing, a 32 acre Greenfield development site in Northwest Calgary. The purchase price for the lands, which will be serviced and zoned at the time of closing, will be \$31.6 million. Once completed, the anticipated gross leasable area is 347,000 square feet of retail use. The anticipated closing is September 2012. Development is expected to commence in 2013.

RioCan currently has three development sites in Canada under contract where conditions have not yet been waived that, if completed, represent potential acquisitions of \$120.2 million (at 100%) or \$66.0 million at RioCan's interest. These transactions are at various stages of due diligence procedures and while efforts will be made to complete these transactions, no assurance can be given. RioCan's proportionate share in these potential acquisitions varies from 50% to 60%.

On November 21, 2011, RioCan announced that it has entered into a purchase and sale agreement, subject to conditions, to acquire, on a co-ownership basis with Tanger, 50 acres of land in Kanata, Ontario, near Ottawa, to be developed as a Tanger Outlet Centre. The co-ownership will acquire the land on a 50/50 co-ownership basis. When fully complete, the project will be home to approximately 350,000 square feet of branded factory outlet retailers from the U.S. and Canada. This transaction remains subject to certain conditions which have not been waived and while efforts will be made to complete this transaction, no assurance can be given.

#### Review of Specific Properties

In connection with RioCan's ongoing review of its assets with a view to enhancing its portfolio of properties, RioCan has engaged TD Securities Inc. to act as broker in connection with the possible disposition of seven non-core properties located in Ontario and eastern Canada, which assets are 100% owned by RioCan. The portfolio has total gross

leaseable area of 940,000 square feet. Six of the assets are in Ontario and one is in New Brunswick. The approximate net operating income of the portfolio is \$6 million and, at September 30, 2011, these properties had an approximate total book value of \$78 million. Total debt associated with the assets is approximately \$4.8 million. RioCan commenced marketing of the portfolio for sale in September 2011; however RioCan is under no obligation to proceed with such proposed disposition, which, if completed, will be done to facilitate its objective of paring its portfolio and focusing on major markets.

## **PLAN OF DISTRIBUTION**

Pursuant to the Underwriting Agreement, RioCan has agreed to issue and sell and the Underwriters have severally agreed to purchase on November 30, 2011, or such other date as may be agreed upon, but in any event not later than December 7, 2011, subject to compliance with all necessary legal requirements and to the terms and conditions contained in the Underwriting Agreement, an aggregate of 5,980,000 Series C Units at a purchase price of \$25.00 per Series C Unit, for an aggregate gross consideration of \$149,500,000, payable in cash to RioCan by the Underwriters against delivery of the Series C Units on the Closing Date. The Underwriting Agreement provides that the Trust will pay to the Underwriters a fee of \$0.25 per unit for Series C Units sold to exempt institutions and \$0.75 per unit for all other Series C Units purchased by the Underwriters in consideration for their services in connection with this Offering. The Offering Price of the Units was determined by negotiation between RioCan and the Underwriters.

The aggregate 5,980,000 Series C Units to be issued and sold includes 780,000 Series C Units at the initial Offering Price which was underlying the Underwriters' Option granted by RioCan to the Underwriters and was exercised in full prior to the filing of this prospectus supplement. Taking into account the exercise in full of the Underwriters' Option, the total price to the public, the approximate Underwriters' fee and the approximate net proceeds to RioCan (assuming no Class C Units are sold to exempt institutions) will be \$149,500,000, \$4,485,000 and \$145,015,000, respectively. A purchaser who acquires Series C Units forming part of the Underwriters' Option acquires those Series C Units under this prospectus supplement.

The initial distribution on the Series C Units will be payable on December 31, 2011 and will be \$0.0998 per Series C Unit, based on the anticipated closing date of the Offering of November 30, 2011. See "Details of the Offering".

The terms and provisions attaching to the Series C Units shall be as set out under "Details of the Offering".

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the securities if any of the securities are purchased under the Underwriting Agreement.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Series C Units. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Series C Units. These exceptions include bids or purchases permitted under the bylaws and rules of the TSX relating to market stabilization and passive market making activities and bids or purchases made for and on behalf of a customer where the order was not solicited during the period of distribution. Under the first mentioned exception, in connection with this Offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Series C Units at levels other than those which might otherwise prevail in the open market. Those transactions, if commenced, may be interrupted or discontinued at any time.

The TSX has conditionally approved the listing of the Series C Units to be distributed under this prospectus supplement and the Series D Units which the Series C Units may be reclassified as. Listing will be subject to RioCan fulfilling all of the requirements of the TSX on or before February 15, 2012. The Series C Units will be listed on the TSX under the symbol "REI.PR.C".

The Underwriting Agreement provides that RioCan will not create, issue or sell (or agree or announce any such



agreement to create, issue or sell), directly or indirectly, (except in certain limited circumstances) any Preferred Units or other securities convertible into Preferred Units, without the prior written consent of RBC Dominion Securities and CIBC World Markets Inc., on behalf of the Underwriters, for a period of 90 days following the Closing Date, such consent not to be unreasonably withheld or delayed.

The Underwriters propose to offer the Series C Units initially at the Offering Price. After a reasonable effort has been made to sell all of the Series C Units at the Offering Price, the Underwriters may subsequently reduce and thereafter change, from time to time, the price at which the Series C Units are offered to an amount not greater than the Offering Price. The compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Series C Units is less than the gross proceeds paid by the Underwriters to the Trust.

The Trust has agreed to indemnify the Underwriters against certain liabilities including certain liabilities under Canadian provincial securities legislation.

This Offering is being made in each of the Provinces of Canada. The Series C Units offered hereunder have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and accordingly may not be offered or sold within the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Underwriting Agreement permits the Underwriters to reoffer and resell Series C Units within the United States through their U.S. broker-dealer affiliates to Qualified Institutional Buyers in the United States in accordance with Rule 144A under the U.S. Securities Act. This prospectus supplement does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Units in the United States. In addition, until 40 days after the commencement of the Offering, any offer or sale of the Series C Units within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements under the U.S. Securities Act.

Certain of the Underwriters including RBC Dominion Securities Inc., TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc. and National Bank Financial Inc. are wholly-owned subsidiaries of the Banks, which are lenders to RioCan. As of November 18, 2011, RioCan was indebted to the Banks in an aggregate amount of approximately \$1.1 billion, which debt is secured by specific properties. TD Securities Inc. has also been engaged by the Trust to act as broker in connection with a possible disposition of assets in the ordinary course. Consequently, RioCan may be considered a connected issuer of such Underwriters for the purposes of the securities regulations of certain Canadian provinces. As of the date of this prospectus supplement, RioCan is in compliance with the terms of its indebtedness. Since the date the indebtedness was incurred, the financial position of RioCan and the value of the collateral granted as security for the indebtedness have not materially changed. The Underwriters have advised that the decision to underwrite the Offering was made independently of the Banks and the brokerage team of TD Securities Inc., and none of the Banks nor the TD Securities Inc. brokerage team had any influence as to the determination of the terms of the distribution. The Underwriters will not receive any benefit in connection with this Offering other than the Underwriters' fee payable by RioCan.

#### **USE OF PROCEEDS**

Assuming no Class C Units are sold to exempt institutions, the estimated net proceeds to RioCan from this Offering, after deducting the estimated Underwriters' fee of \$4,485,000 and the estimated expenses of this Offering of \$340,000, and after giving effect to the exercise in full of the Underwriters' Option, will be approximately \$144,675,000. RioCan will use a portion of such net proceeds for the redemption of the Series K Debentures as described under "Recent Developments", to repay certain indebtedness to the Banks under RioCan's operating lines of credit, for property acquisitions, to fund development and for general trust purposes.

#### **PRICE RANGE AND TRADING VOLUME**

The Units are listed and posted for trading on the TSX under the symbol "REI.UN".

The monthly volume of trading and price ranges of the Units on the TSX over the 12 months prior to the date of this prospectus supplement are set forth in the following table:

<b><u>Period</u></b>	<b><u>High</u></b>	<b><u>Low</u></b>	<b><u>Volume</u></b>
	\$	\$	
November 2010.....	23.40	21.56	9,632,283
December 2010.....	22.22	21.12	13,238,157
January 2011.....	23.60	21.95	11,779,458
February 2011.....	24.39	22.77	9,986,266
March 2011.....	25.50	22.92	11,217,841
April 2011.....	25.38	24.27	7,252,215
May 2011.....	26.20	25.11	8,589,415
June 2011.....	26.19	24.50	10,841,521
July 2011.....	26.90	25.56	5,745,706
August 2011.....	26.10	21.05	12,026,626
September 2011.....	26.32	24.51	12,212,171
October 2011.....	25.95	24.11	10,555,631
November 1 to 18.....	25.42	24.83	5,019,975

The Series A Units are listed and posted for trading on the TSX under the symbol “REI.PR.A”.

The monthly volume of trading and price ranges of the Series A Units on the TSX over the 12 months prior to the date of this prospectus supplement are set forth in the following table:

<b><u>Period</u></b>	<b><u>High</u></b>	<b><u>Low</u></b>	<b><u>Volume</u></b>
	\$	\$	
January 26 to 28, 2011.....	25.65	25.05	658,910
February 2011.....	25.88	25.38	366,897
March 2011.....	26.10	25.40	149,316
April 2011.....	26.16	25.73	110,548
May 2011.....	26.07	25.63	62,896
June 2011.....	25.97	25.41	80,971
July 2011.....	26.21	25.61	78,687
August 2011.....	26.19	25.42	85,016
September 2011.....	25.97	25.42	62,122
October 2011.....	25.75	24.94	91,887
November 1 to 18.....	25.70	25.30	219,094

There is currently no market through which the Series C Units or Series D Units may be sold and purchasers may not be able to resell securities purchased under the Prospectus. This may affect the pricing of these securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “Risk Factors”. The TSX has conditionally approved the listing of the Series C Units to be distributed under this prospectus supplement and the Series D Units which the Series C Units may be reclassified as. Listing will be subject to RioCan fulfilling all of the requirements of the TSX on or before February 15, 2012. The Series C Units will be listed on the TSX under the symbol “REI.PR.C”.

## CONSOLIDATED CAPITALIZATION

There have been no material changes in the number of Units outstanding and indebtedness of RioCan since September 30, 2011, the date of RioCan's unaudited condensed consolidated financial statements for its most recently completed quarter filed with the securities regulatory authorities, other than 5,091,625 Units issued pursuant to an offering completed on November 4, 2011, 561,241 Units issued pursuant to RioCan's distribution reinvestment plan, 7,516 Units issued pursuant to RioCan's unit purchase plan, 236,636 Units issued pursuant to RioCan's unit option plan, 93,630 Units issued pursuant to the exercise of exchangeable limited partnership units issued by a subsidiary of RioCan in connection with previous acquisitions, and a net increase in secured indebtedness of approximately \$27.5 million which has been incurred in the ordinary course of business. As announced on November 14, 2011, RioCan will redeem in full its \$120 million outstanding Series K Debentures on December 19, 2011.

## EARNINGS COVERAGE RATIOS

RioCan adopted International Financing Reporting Standards ("IFRS") effective for interim and annual periods commencing January 1, 2011. Financial results under IFRS for 2010 and 2011 are unaudited. Prior to the adoption of IFRS, RioCan prepared its consolidated financial statements using previous Canadian generally accepted accounting principles ("Previous Canadian GAAP"). The primary difference between Previous Canadian GAAP and IFRS for RioCan relates to the valuation of investment properties. Under IFRS, investment properties are recorded at fair value as opposed to amortized cost under Previous Canadian GAAP, which has a non-cash impact on earnings.

The following earnings coverage ratios are calculated for the 12 months ended December 31, 2010 under both Previous Canadian GAAP and IFRS and for the 12 months ended September 30, 2011 under IFRS and give effect to the issuance and redemption of all long-term debt and the issuance of Preferred Units since those dates, as if these transactions occurred on January 1, 2010 and October 1, 2010, respectively. The earnings coverage ratios in respect of the periods presented under IFRS have been presented both with and without the earnings effect of the fair value adjustment. The fair value adjustment for the 12 month period ended September 30, 2011 and December 31, 2010 was \$556.6 million and \$273.4 million, respectively. The earnings coverage ratios in respect of the periods presented under Previous Canadian GAAP have been presented both with and without the earnings effect of amortization and depreciation and impairment on investment properties. The amortization and depreciation adjustment for the 12 month period ended December 31, 2010 was \$190.7 million and the adjustment for impairment on investment properties for the 12 month period ended December 31, 2010 was \$7.9 million.

### Previous Canadian GAAP

The following information was computed under Previous Canadian GAAP. The following earnings coverage ratios do not purport to be indicative of an earnings coverage ratio for any future period.

RioCan's consolidated interest expense on RioCan's debt including distribution requirements on Preferred Units, if any ("**Consolidated Interest Expense**") for the 12 months ended December 31, 2010 was \$233.5 million. Consolidated net earnings for such 12-month period, before interest expense, income taxes and non-controlling interest was \$377.9, which is 1.62 times RioCan's Consolidated Interest Expense for such period. RioCan's distribution requirements on all of its Preferred Units, after giving pro forma effect to the issue of the Series C Units to be distributed under this prospectus (including the exercise in full of the Underwriters' Option), and without recognizing any earnings related to any such transactions, and all servicing costs that have been, or are expected to be, incurred in connection therewith, amount to \$13.6 million for the 12 months ended December 31, 2010. RioCan's Consolidated Interest Expense for the 12 months ended December 31, 2010 giving pro forma effect to the issuance of Preferred Units (specifically, the Series A Units in the first quarter of 2011 and the Series C Units to be distributed under this prospectus, including the exercise in full of the Underwriters' Option) and the issuance of any debt and any repayment of any debt since this date (including, but not limited to, RioCan's planned early redemption of the Series K Debentures to occur on December 19, 2011 as set out under "Use of Proceeds", together with the prepayment penalties associated with such early redemption), and all servicing costs that have been, or are expected to be, incurred in connection therewith, but without recognizing any effect on earnings

related to such transactions, amounted to \$274.7 million.

RioCan's consolidated net earnings before interest expense and income taxes for the 12 months ended December 31, 2010 was \$377.9 million, which is 1.38 times the Trust's Consolidated Interest Expense for this period.

**PREVIOUS CANADIAN GAAP**

	<b>For the 12-months ended December 31, 2010</b>	<b>For the 12-months ended December 31, 2010, after giving effect to the issuance and redemption of all long-term debt and issuance of Preferred Units<sup>1</sup></b>
	<i>(Historical)</i> (in thousands of dollars)	<i>(Pro forma)</i> (in thousands of dollars)
Interest Expense (\$)	214,723	242,253
Capitalized Interest (\$)	18,824	18,824
Distributions on Preferred Units (\$)	n/a	13,589
<b><i>Denominator for Earnings Coverage Ratio</i></b>	<b>233,547</b>	<b>274,665</b>
Net earnings attributable to common and preferred unitholders (\$)	302,967	275,437
Interest Expense (\$)	214,723	242,253
Deferred Income Tax Recovery (\$)	(139,825)	(139,825)
<b><i>Numerator for Earnings Coverage Ratio</i></b>	<b>377,865</b>	<b>377,865</b>
Earnings Coverage Ratio	1.62	1.38
Earnings Coverage Ratio excluding amortization and depreciation and impairment on investment properties <sup>2</sup> and including non-controlling interest	2.47	2.10

<sup>1</sup> The pro forma numbers take into account (i) the issuance of Preferred Units (specifically, the Series A Units in the first quarter of 2011 and the Series C Units to be distributed under this prospectus, including the exercise in full of the Underwriters' Option); and (ii) the issuance of any debt and repayment of any debt since the date noted (including, but not limited to, the planned early redemption of the Series K Debentures to occur on December 19, 2011 as set out under "Use of Proceeds", together with the prepayment penalty associated with the early redemption), and all servicing costs that have been, or are expected to be, incurred in connection therewith, but without recognizing any effect on earnings related to such transactions.

<sup>2</sup> As noted above, the earnings coverage ratios in respect of the periods presented under Previous Canadian GAAP have been presented both with and without the earnings effect of amortization and depreciation and impairment on investment properties. The amortization and depreciation adjustment for the 12 month period ended December 31, 2010 was \$190.7 million and the adjustment for impairment on investment properties for the 12 month period ended December 31, 2010 was \$7.9 million.

## IFRS

The following information was computed under IFRS. The following earnings coverage ratios do not purport to be indicative of an earnings coverage ratio for any future period.

RioCan's consolidated borrowing costs including distribution requirements on Preferred Units ("**Consolidated Borrowing Cost**") for the 12 months ended September 30, 2011 was \$255.8 million. Consolidated net earnings for such 12-month period, before borrowing costs, income taxes and non-controlling interest was \$1.1 billion, which is 4.34 times RioCan's Consolidated Borrowing Cost for such period. RioCan's distribution requirements on all of its Preferred Units, after giving pro forma effect to the issue of the Series C Units to be distributed under this prospectus (and including the exercise in full of the Underwriters' Option), and without recognizing any earnings related to any such transactions, and all servicing costs that have been, or are expected to be, incurred in connection therewith, amount to \$11.5 million for the 12 months ended September 30, 2011. RioCan's Consolidated Borrowing Cost requirements for the 12 months ended September 30, 2011 giving pro forma effect to the issuance of Preferred Units (specifically, the Series A Units in the first quarter of 2011 and the Series C Units to be distributed under this prospectus, including the exercise in full of the Underwriters' Option) and the issuance of any debt and any repayment of any debt since this date (including, but not limited to, RioCan's planned early redemption of the Series K Debentures to occur on December 19, 2011 as set out under "Use of Proceeds", together with the prepayment penalties associated with each such early redemption), and all servicing costs that have been, or are expected to be, incurred in connection therewith, but without recognizing any effect on earnings related to such transactions, amounted to \$260.2 million. RioCan's consolidated net earnings before borrowing cost requirements and income taxes for the 12 months ended September 30, 2011 was \$1.1 billion, which is 4.27 times the Trust's Consolidated Borrowing Cost for this period.

Under IFRS, RioCan's Consolidated Borrowing Cost for the 12 months ended December 31, 2010 was \$234.4 million. Consolidated net earnings for such 12-month period, before borrowing costs, income taxes and non-controlling interest was \$818.8 million, which is 3.49 times RioCan's Consolidated Borrowing Cost for such period. RioCan's distribution requirements on all of its Preferred Units, after giving pro forma effect to the issue of the Series C Units to be distributed under this prospectus (including the exercise in full of the Underwriters' Option), but without recognizing any earnings related to any such transactions, and all servicing costs that have been, or are expected to be, incurred in connection therewith, amount to \$13.6 million for the 12 months ended December 31, 2010 calculated in accordance with IFRS. Under IFRS, RioCan's Consolidated Borrowing Cost for the 12 months ended December 31, 2010 giving pro forma effect to the issuance of Preferred Units (specifically, the Series A Units in the first quarter of 2011 and the Series C Units to be distributed under this prospectus, including the exercise in full of the Underwriters' Option) and the issuance of any debt and any repayment of any debt since this date (including, but not limited to, RioCan's planned early redemption of the Series K Debentures to occur on December 19, 2011 as set out under "Use of Proceeds", together with the prepayment penalties associated with each such early redemption), and all servicing costs that have been, or are expected to be, incurred in connection therewith, but without recognizing any effect on earnings related to such transactions, amounted to \$275.5 million. RioCan's consolidated net earnings before borrowing cost requirements and income taxes for the 12 months ended December 31, 2010 was \$818.8 million, which is 2.97 times the Trust's Consolidated Borrowing Cost for this period.

IFRS	For the 12-months ended September 30, 2011 <sup>1</sup>	For the 12-months ended September 30, 2011 after giving effect to the issuance and redemption of all long-term debt and issuance of Preferred Units <sup>1 2</sup>	For the 12-months ended December 31, 2010 <sup>1</sup>	For the 12-months ended December 31, 2010, after giving effect to the issuance and redemption of all long-term debt and issuance of Preferred Units <sup>1 2</sup>
	<i>(Historical)</i> (in thousands of dollars)	<i>(Pro forma)</i> (in thousands of dollars)	<i>(Historical)</i> (in thousands of dollars)	<i>(Pro forma)</i> (in thousands of dollars)
Interest Expense (\$)	235,930	233,248	221,397	248,927
Capitalized Interest (\$)	15,467	15,467	13,034	13,034
Distributions on Preferred Units (\$)	4,441	11,467	n/a	13,589
<b><i>Denominator for Earnings Coverage Ratio</i></b>	<b>255,838</b>	<b>260,182</b>	<b>234,431</b>	<b>275,550</b>
Net earnings attributable to common and preferred unitholders (\$)	1,884,262	1,886,944	1,495,016	1,467,486
Interest Expense (\$)	235,930	233,248	221,397	248,927
Deferred Income Tax Recovery (\$)	(1,009,162)	(1,009,162)	(897,583)	(897,583)
<b><i>Numerator for Earnings Coverage Ratio</i></b>	<b>1,111,030</b>	<b>1,111,030</b>	<b>818,830</b>	<b>818,830</b>
Earnings Coverage Ratio	4.34	4.27	3.49	2.97
Earnings Coverage Ratio excluding the increase in the value of investment properties <sup>3</sup> and including non-controlling interest	2.24	2.20	2.39	2.03

<sup>1</sup> Figures for the 12-month periods ended September 30, 2011 and December 31, 2010 above are presented under IFRS, which the Trust adopted on January 1, 2011.

<sup>2</sup> The pro forma numbers take into account (i) the issuance of Preferred Units (specifically, the Series A Units in the first quarter of 2011 and the Series C Units to be distributed under this prospectus, including the exercise in full of the Underwriters' Option); and (ii) the issuance of any debt and repayment of any debt since the date noted (including, but not limited to, the planned early redemption of the Series K Debentures to occur on December 19, 2011 as set out under "Use of Proceeds", together with the prepayment penalty associated with the early redemption), and all servicing costs that have been, or are expected to be, incurred in connection therewith, but without recognizing any effect on earnings related to such transactions.

<sup>3</sup> As noted above, the primary difference between Previous Canadian GAAP and IFRS for RioCan relates to the valuation of investment properties. Under IFRS, investment properties are recorded at fair value as opposed to amortized cost under Previous Canadian GAAP, which has a non-cash impact on earnings. The fair value adjustment for the 12 month period ended September 30, 2011 and December 31, 2010 was \$556.6 million and \$273.4 million, respectively.

## RATINGS

The Series C Units have been assigned a rating of "Pfd-3 (high)" by DBRS Limited ("DBRS") and a rating of "P-3 (high)" by Standard & Poor's Ratings Services, a division of McGraw-Hill, Inc. ("S&P"). DBRS has five categories of preferred shares for which it will assign a rating. The "Pfd-3" rating is the third highest category available from DBRS for preferred securities and is considered to be of adequate credit quality. According to DBRS, preferred securities rated "Pfd-3" are of adequate credit quality and while protection of distributions and principal is still considered acceptable, the

issuing entity is more susceptible to adverse changes in financial and economic conditions, and there may be other adverse conditions present which detract from debt protection. Pfd-3 ratings generally correspond with companies whose senior bonds are rated in the higher end of the BBB category. A “P-3 (High)” rating by S&P is the third of the three sub-categories within the second highest rating of the eight standard categories of ratings utilized by S&P for preferred units. “High” and “low” grades may be used to indicate a relative standing of a credit within a particular rating category.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or an issuer of securities and do not speak to the suitability of particular securities for any particular investor. The credit ratings assigned to the Series C Units may not reflect the potential impact of all risks on the value of the Series C Units. A rating is therefore not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency. Prospective investors should consult the relevant rating organization with respect to the interpretation and implications of the ratings.

## DETAILS OF THE OFFERING

### Description of the Series C Units

The following is a summary of certain provisions attaching to the Series C Units as a series.

#### *Definition of Terms*

The following definitions are relevant to the Series C Units:

“**Annual Fixed Distribution Rate**” means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 3.18%.

“**Bloomberg Screen GCAN5YR Page**” means the display designated as page “GCAN5YR<INDEX>” on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service) for purposes of displaying Government of Canada bond yields.

“**Fixed Rate Calculation Date**” means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

“**Government of Canada Yield**” on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the average of the yields determined by two registered Canadian investment dealers selected by the Trust, as being the yield to maturity on such date (assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

“**Initial Fixed Rate Period**” means the period commencing on the Closing Date and ending on and including June 30, 2017.

“**Subsequent Fixed Rate Period**” means for the initial Subsequent Fixed Rate Period, the period commencing on July 1, 2017 and ending on and including June 30, 2022, and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including June 30 in the fifth year thereafter.

### ***Issue Price***

The Series C Units will have an issue price of \$25.00 per unit.

### ***Distributions***

During the Initial Fixed Rate Period, the holders of the Series C Units will be entitled to receive fixed cumulative preferential cash distributions, as and when declared by the Board of Trustees, payable quarterly on the last business day of March, June, September and December in each year during the Initial Fixed Rate Period, at an annual rate equal to \$1.1750 per Series C Unit. The initial distribution will be payable on December 31, 2011 and will be \$0.0998 per Series C Unit, based on the anticipated Closing Date of November 30, 2011.

During each Subsequent Fixed Rate Period, the holders of Series C Units will be entitled to receive fixed cumulative preferential cash distributions, as and when declared by the Board of Trustees, payable quarterly on the last business day of March, June, September and December in each year during the Subsequent Fixed Rate Period, in an annual amount per Series C Unit determined by multiplying the Annual Fixed Distribution Rate applicable to such Subsequent Fixed Rate Period by \$25.00.

The Annual Fixed Distribution Rate applicable to a Subsequent Fixed Rate Period will be determined by the Trust on the Fixed Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon the Trust and upon all holders of Series C Units. The Trust will, on the Fixed Rate Calculation Date, give written notice of the Annual Fixed Distribution Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series C Units.

Payment of distributions and other amounts in respect of the Series C Units will be made by the Trust to CDS, or its nominee, as the case may be, as registered holder of the Series C Units. As long as CDS, or its nominee, is the registered holder of the Series C Units, CDS, or its nominee, as the case may be, will be considered the sole owner of the Series C Units for the purposes of receiving payment on the Series C Units.

### ***Redemption***

The Series C Units will not be redeemable by the Trust prior to June 30, 2017. On June 30, 2017 and on June 30 every five years thereafter (or, if such date is not a business day, the immediately following business day), and subject to certain other restrictions set out in “Description of the Series C Units – Restrictions on Distributions and Retirement and Issue of Equity Interests”, the Trust may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem all or from time to time any part of the outstanding Series C Units by payment in cash of a per Series C Units sum equal to \$25.00, together with all accrued and unpaid distributions up to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by the Trust).

If less than all of the outstanding Series C Units are to be redeemed, the Series C Units to be redeemed shall be selected on a pro rata basis disregarding fractions or, if such Series C Units are at such time listed on the TSX, with the consent of the TSX, in such manner as the Board of Trustees in its sole discretion may, by resolution, determine.

The Series C Units do not have a fixed maturity date and are not redeemable at the option of the holders of Series C Units. See “Risk Factors”.

### ***Reclassification of Series C Units as Series D Units***

Holders of Series C Units will have the right, at their option, on June 30, 2017 and on June 30 every five years thereafter (a “**Series C Reclassification Date**”), to reclassify, subject to the restrictions on reclassification described below and the payment of the tax, if any, required to be paid or remitted by the Trust in connection with the reclassification, all or any of their Series C Units registered in their name as Series D Units on the basis of one Series D Unit for each Series C Unit. If a Series C Reclassification Date would otherwise fall on a day that is not a business day,



such Series C Reclassification Date shall be the immediately following business day. The reclassification of Series C Units may be effected upon written notice given by the registered holders of the Series C Units not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00pm (Toronto time) on the 15<sup>th</sup> day preceding, a Series C Reclassification Date. Once received by the Trust, an election notice is irrevocable. If the Trust does not receive an election notice from a holder of Series C Units during such time, the Series C Units held by such holder shall be deemed not to have been reclassified.

The Trust will, at least 30 days and not more than 60 days prior to the applicable Series C Reclassification Date, give notice in writing to the then registered holders of the Series C Units of the above-mentioned reclassification privilege. On the 30<sup>th</sup> day prior to each Series C Reclassification Date, the Trust will give notice in writing to the then registered holders of the Series C Units of the Annual Fixed Distribution Rate for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Distribution Rate (as defined below) applicable to the Series D Units for the next succeeding Quarterly Floating Period (defined below).

If the Trust gives notice to the registered holders of the Series C Units of the redemption on a Series C Reclassification Date of all of the Series C Units, the Trust will not be required to give notice as provided hereunder to the registered holders of the Series C Units of the Floating Quarterly Distribution Rate, the Annual Fixed Distribution Rate or the reclassification privilege of holders of Series C Units and the right of any holder of Series C Units to reclassify such Series C Units as Series D Units will cease and terminate in that event.

Holders of Series C Units will not be entitled to reclassify their Series C Units as Series D Units if the Trust determines that there would remain outstanding on a Series C Reclassification Date less than 500,000 Series D Units, after taking into account all Series C Units in respect of which a notice of reclassification as Series D Units has been provided and all Series D Units in respect of which a notice of reclassification as Series C Units has been provided. The Trust will give notice in writing to all affected holders of Series C Units of their inability to reclassify their Series C Units at least seven days prior to the applicable Series C Reclassification Date. Furthermore, if the Trust determines that there would remain outstanding on a Series C Reclassification Date less than 500,000 Series C Units after taking into account all Series C Units in respect of which a notice of reclassification as Series D Units has been provided and all Series D Units in respect of which a notice of reclassification as Series C Units has been provided then each of the remaining outstanding Series C Units will automatically be reclassified as Series D Units on the Series C Reclassification Date on a one for one basis. The Trust will give notice in writing to this effect to the then registered holders of such remaining Series C Units at least seven days prior to the Series C Reclassification Date.

Upon exercise by a registered holder of its reclassification privilege in respect of reclassifying Series C Units as Series D Units (and upon an automatic reclassification), the Trust reserves the right not to deliver Series D Units to any person whose address is in, or whom the Trust or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Trust to take any action to comply with the securities or analogous laws of such jurisdiction.

If the Trust is subject to any tax or any obligation to withhold and/or remit tax in respect of the reclassification of Series C Units, it is permitted to withhold and sell a portion of the reclassified units that would otherwise be issued to the holder of Series C Units that has elected to reclassify.

### ***Purchase for Cancellation***

Subject to applicable law and to the provisions described under “Description of the Series C Units – Restrictions on Distributions and Retirement and Issue of Equity Interests” below, the Trust may at any time purchase for cancellation the whole or any part of the Series C Units at the lowest price or prices at which, in the opinion of the Board of Trustees, such units are obtainable.

### ***Rights on Termination or Liquidation***

In the event of the termination, liquidation, dissolution or winding-up of the Trust or any other distribution of assets of the Trust among its unitholders for the purpose of winding-up its affairs, the holders of the Series C Units will be entitled to receive \$25.00 per Series C Unit, together with all accrued and unpaid distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Trust), before any amount is paid or any assets of the Trust are distributed to the holders of any Units or Preferred Units (collectively, “**Equity Interests**”) ranking junior as to capital to the Series C Units. Upon payment of such amounts, the holders of the Series C Units will not be entitled to share in any further distribution of the assets of the Trust.

### ***Priority***

The Series C Units will rank equally with each other and the Series D Units and equally with all previously issued series of Preferred Units and any series into which such previously issued series of Preferred Units may be reclassified and will rank in priority to the Units and over any other units of the Trust ranking junior to the Series C Units and Series D Units with respect to priority in the payment of distributions and in the distribution of assets in the event of the termination, liquidation, dissolution or winding-up of the Trust, whether voluntary or involuntary, or in the event of any other distribution of assets of the Trust among its unitholders for the purpose of winding-up its affairs. No Preferred Units shall be issued that rank prior to the Series C Units and Series D Units.

### ***Restrictions on Distributions and Retirement and Issue of Equity Interests***

So long as any of the Series C Units are outstanding, the Trust shall not, without the approval of the holders of the Series C Units:

- (a) declare, pay or set apart for payment any distributions (other than amounts that are paid solely through the issuance of additional Units) on Equity Interests of the Trust ranking as to distributions junior to the Series C Units;
- (b) except out of the net cash proceeds of a substantially concurrent issue of Equity Interests of the Trust ranking as to return of capital and distributions junior to the Series C Units, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Equity Interests of the Trust ranking as to capital junior to the Series C Units;
- (c) redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series C Units then outstanding; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Preferred Units, ranking as to the payment of distributions or return of capital on a parity with the Series C Units;

unless, in each such case, all accrued and unpaid distributions up to and including the distribution payable for the last completed period for which all distributions were payable on the Series C Units and on all other Equity Interests of the Trust ranking on a parity with the Series C Units with respect to the payment of distributions have been declared paid or set apart for payment.

### *Series C Unitholder Approvals*

In addition to any other approvals required by law, the approval of all amendments to the rights, privileges, restrictions and conditions attaching to the Series C Units as a series and any other approval to be given by the holders of the Series C Units may be given by a resolution carried by an affirmative vote of at least 66 2/3% of the votes cast at a meeting at which the holders of a majority of the outstanding Series C Units are present or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Series C Units then present would form the necessary quorum. At any meeting of holders of Series C Units as a series, each such holder shall be entitled to one vote in respect of each Series C Unit held.

### *Voting Rights*

The holders of the Series C Units will not (except as otherwise provided by law, and except for meetings of the holders of Preferred Units as a class and meetings of all holders of Series C Units as a series as contemplated by the Declaration of Trust) be entitled to receive notice of, attend, or vote at any meeting of unitholders of the Trust unless and until the Trust shall have failed to pay eight quarterly distributions on the Series C Units, whether or not consecutive and whether or not such distributions have been declared and whether or not there are any monies of the Trust properly applicable to the payment of distributions. In the event of such non-payment, and for only so long as any such distributions remain in arrears, the holders of the Series C Units will be entitled to receive notice of and to attend each meeting of unitholders of the Trust (other than any meetings at which only holders of another specified class or series are entitled to vote) and such holders of Series C Units shall have the right, at any such meeting, to one vote for each Series C Unit held.

No other voting rights shall attach to the Series C Units in any circumstances. Upon payment of the entire amount of all distributions on the Series C Units in arrears, the voting rights of the holders of the Series C Units shall forthwith cease (unless and until the same default shall again arise under the foregoing provisions).

### *Tax Matters*

The Trust's income and net taxable gains for the purposes of the Tax Act will be allocated to the holders of Units and Preferred Units in the same proportion as the distributions received by such holders.

### **Description of the Series D Units**

The following is a summary of certain provisions attaching to the Series D Units as a series.

### *Definition of Terms*

The following definitions are relevant to the Series D Units:

“**Floating Quarterly Distribution Rate**” means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.18% (calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365).

“**Floating Rate Calculation Date**” means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

“**Quarterly Commencement Date**” means the 1st of each of April, July, October and January in each year.

“**Quarterly Floating Rate Period**” means, for the initial Quarterly Floating Rate Period, the period commencing on July 1, 2017 and ending on and including September 30, 2017, and thereafter the period from and including the

day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

“**T-Bill Rate**” means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada and posted on Reuters page BOCBILL, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

### ***Distributions***

The holders of the Series D Units will be entitled to receive floating rate cumulative preferential cash distributions, as and when declared by the Board of Trustees, payable quarterly on the last business day of each Quarterly Floating Rate Period, in an amount per Series D Unit determined by multiplying the applicable Floating Quarterly Distribution Rate by \$25.00.

The Floating Quarterly Distribution Rate for each Quarterly Floating Rate Period will be determined by the Trust on the Floating Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon the Trust and upon all holders of Series D Units. The Trust will, on the Floating Rate Calculation Date, give written notice of the Floating Quarterly Distribution Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series D Units.

Payment of distributions and other amounts in respect of the Series D Units will be made by the Trust to CDS, or its nominee, as the case may be, as registered holder of the Series D Units. As long as CDS, or its nominee, is the registered holder of the Series D Units, CDS, or its nominee, as the case may be, will be considered the sole owner of the Series D Units for the purposes of receiving payment on the Series D Units.

### ***Redemption***

Subject to certain other restrictions set out in “Description of the Series D Units – Restrictions on Distributions and Retirement and Issue of Equity Interests”, the Trust may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem all or from time to time any part of the outstanding Series D Units by payment in cash of a per unit sum equal to (i) \$25.00 in the case of redemptions on June 30, 2022 and on June 30 every five years thereafter (each, a “**Series D Reclassification Date**”), or (ii) \$25.50 in the case of redemptions on any date which is not a Series D Reclassification Date after June 30, 2017, in each case together with all accrued and unpaid distributions up to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by the Trust).

If less than all of the outstanding Series D Units are to be redeemed, the Series D Units to be redeemed shall be selected on a pro rata basis disregarding fractions or, if such Series D Units are at such time listed on the TSX, with the consent of the TSX, in such manner as the Board of Trustees in its sole discretion may, by resolution, determine.

The Series D Units do not have a fixed maturity date and are not redeemable at the option of the holders of Series D Units. See “Risk Factors”.

### ***Reclassification of Series D Units as Series C Units***

Holders of Series D Units will have the right, at their option, on each Series D Reclassification Date, to reclassify, subject to the restrictions on reclassification described below and the payment of the tax, if any, required to be paid or remitted by the Trust in connection with the reclassification, all or any of their Series D Units registered in their name as Series C Units on the basis of one Series C Unit for each Series D Unit. If a Series D Reclassification Date would otherwise fall on a day that is not a business day, such Series D Reclassification Date shall be the immediately following business day. The reclassification of Series D Units may be effected upon written notice given by the registered holders of the Series D Units not earlier than the 30<sup>th</sup> day prior to, but not later than 5:00pm (Toronto time) on the 15<sup>th</sup> day preceding, a Series D Reclassification Date. If the Trust does not receive an election notice from a holder of Series D

Units during such time, the Series D Units held by such holder shall be deemed not to have been reclassified. Once received by the Trust, an election notice is irrevocable.

The Trust will, at least 30 days and not more than 60 days prior to the applicable Series D Reclassification Date, give notice in writing to the then registered holders of the Series D Units of the above-mentioned reclassification privilege. On the 30<sup>th</sup> day prior to each Series D Reclassification Date, the Trust will give notice in writing to the then registered holders of the Series D Units of the Floating Quarterly Distribution Rate for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Distribution Rate applicable to the Series C Units for the next succeeding Subsequent Fixed Rate Period.

If the Trust gives notice to the registered holders of the Series D Units of the redemption on a Series D Reclassification Date of all of the Series D Units, the Trust will not be required to give notice as provided hereunder to the registered holders of the Series D Units of the Annual Fixed Distribution Rate, the Floating Quarterly Distribution Rate or the reclassification privilege of holders of Series D Units and the right of any holder of Series D Units to reclassify such Series C Units into Series D Units will cease and terminate in that event.

Holders of Series D Units will not be entitled to reclassify their Series D Units as Series C Units if the Trust determines that there would remain outstanding on a Series D Reclassification Date less than 500,000 Series C Units, after taking into account all Series D Units in respect of which a notice of reclassification as Series C Units has been provided and all Series C Units in respect of which a notice of reclassification as Series D Units has been provided. The Trust will give notice in writing to all affected holders of Series D Units of their inability to reclassify their Series D Units at least seven days prior to the applicable Series D Reclassification Date. Furthermore, if the Trust determines that there would remain outstanding on a Series D Reclassification Date less than 500,000 Series D Units after taking into account all Series D Units in respect of which a notice of reclassification as Series C Units has been provided and all Series C Units in respect of which a notice of reclassification as Series D Units has been provided then each of the remaining outstanding Series D Units will automatically be reclassified as Series C Units on the Series D Reclassification Date on a one for one basis. The Trust will give notice in writing to this effect to the then registered holders of such remaining Series D Units at least seven days prior to the Series D Reclassification Date.

Upon exercise by a registered holder of its reclassification privilege in respect of reclassifying Series D Units as Series C Units (and upon an automatic reclassification), the Trust reserves the right not to deliver Series C Units to any person whose address is in, or whom the Trust or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Trust to take any action to comply with the securities or analogous laws of such jurisdiction.

If the Trust is subject to any tax or any obligation to withhold and/or remit tax in respect of the reclassification of Series D Units, it is permitted to withhold and sell a portion of the reclassified units that would otherwise be issued to the holder of Series D Units that has elected to reclassify.

### ***Purchase for Cancellation***

Subject to applicable law and to the provisions described under “Description of the Series D Units – Restrictions on Distributions and Retirement and Issue of Equity Interests” below, the Trust may at any time purchase for cancellation the whole or any part of the Series D Units at the lowest price or prices at which, in the opinion of the Board of Trustees, such units are obtainable.

### ***Rights on Termination or Liquidation***

In the event of the termination, liquidation, dissolution or winding-up of the Trust or any other distribution of assets of the Trust among its unitholders for the purpose of winding-up its affairs, the holders of the Series D Units will be entitled to receive \$25.00 per Series D Unit, together with all accrued and unpaid distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Trust), before any amount is paid or any assets of the Trust are distributed to the holders of any Equity Interests ranking junior as to capital to the Series D

Units. Upon payment of such amounts, the holders of the Series D Units will not be entitled to share in any further distribution of the assets of the Trust.

***Priority***

The Series D Units will rank equally with each other and the Series C Units and equally with all previously issued series of Preferred Units and any series into which such previously issued series of Preferred Units may be reclassified and will rank in priority to the Units and over any other units of the Trust ranking junior to the Series D Units and Series C Units with respect to priority in the payment of distributions and in the distribution of assets in the event of the termination, liquidation, dissolution or winding-up of the Trust, whether voluntary or involuntary, or in the event of any other distribution of assets of the Trust among its unitholders for the purpose of winding-up its affairs. No Preferred Units shall be issued that rank prior to the Series C Units and Series D Units.

***Restrictions on Distributions and Retirement and Issue of Equity Interests***

So long as any of the Series D Units are outstanding, the Trust shall not, without the approval of the holders of the Series D Units:

- (e) declare, pay or set apart for payment any distributions (other than amounts that are paid solely through the issuance of additional Units) on Equity Interests of the Trust ranking as to distributions junior to the Series D Units;
- (f) except out of the net cash proceeds of a substantially concurrent issue of Equity Interests of the Trust ranking as to return of capital and distributions junior to the Series D Units, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Equity Interests of the Trust ranking as to capital junior to the Series D Units;
- (g) redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series D Units then outstanding; or
- (h) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Preferred Units, ranking as to the payment of distributions or return of capital on a parity with the Series D Units;

unless, in each such case, all accrued and unpaid distributions up to and including the distribution payable for the last completed period for which all distributions were payable on the Series D Units and on all other Equity Interests of the Trust ranking on a parity with the Series D Units with respect to the payment of distributions have been declared paid or set apart for payment.

***Series D Unitholder Approvals***

In addition to any other approvals required by law, the approval of all amendments to the rights, privileges, restrictions and conditions attaching to the Series D Units as a series and any other approval to be given by the holders of the Series D Units may be given by a resolution carried by an affirmative vote of at least 66 2/3% of the votes cast at a meeting at which the holders of a majority of the outstanding Series D Units are present or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Series D Units then present would form the necessary quorum. At any meeting of holders of Series D Units as a series, each such holder shall be entitled to one vote in respect of each Series D Unit held.

### ***Voting Rights***

The holders of the Series D Units will not (except as otherwise provided by law, and except for meetings of the holders of Preferred Units as a class and meetings of all holders of Series D Units as a series as contemplated by the Declaration of Trust) be entitled to receive notice of, attend, or vote at any meeting of unitholders of the Trust unless and until the Trust shall have failed to pay eight quarterly distributions on the Series D Units, whether or not consecutive and whether or not such distributions have been declared and whether or not there are any monies of the Trust properly applicable to the payment of distributions. In the event of such non-payment, and for only so long as any such distributions remain in arrears, the holders of the Series D Units will be entitled to receive notice of and to attend each meeting of unitholders of the Trust (other than any meetings at which only holders of another specified class or series are entitled to vote) and such holders of Series D Units shall have the right, at any such meeting, to one vote for each Series D Unit held.

No other voting rights shall attach to the Series D Units in any circumstances. Upon payment of the entire amount of all distributions on the Series D Units in arrears, the voting rights of the holders of the Series D Units shall forthwith cease (unless and until the same default shall again arise under the foregoing provisions).

### ***Tax Matters***

The Trust's income and net taxable gains for the purposes of the Tax Act will be allocated to the holders of Units and Preferred Units in the same proportion as the distributions received by such holders.

## **PRINCIPAL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of Goodmans LLP, counsel to the Trust, and Torys LLP, counsel to the Underwriters, the following is, at the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a Preferred Unitholder who acquires Series C Units pursuant to the Offering and who, at all relevant times, for purposes of the *Income Tax Act* (Canada) (the "**Tax Act**"), is or is deemed to be resident in Canada, holds the Series C Units acquired pursuant to the Offering and any Series D Units acquired as a result of a reclassification of Series C Units as capital property, deals with the Trust at arm's length and is not affiliated with the Trust and not exempt from tax under Part I of the Tax Act. Generally, the Series C Units and Series D Units will be considered capital property to a Preferred Unitholder provided that the Preferred Unitholder does not hold the Series C Units or Series D Units in the course of carrying on a business and has not acquired them as an adventure or concern in the nature of trade. Certain Preferred Unitholders whose Series C Units or Series D Units might not otherwise qualify as capital property may be entitled to obtain such qualification in certain circumstances by making an irrevocable election permitted by subsection 39(4) of the Tax Act. Such Preferred Unitholders should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a Preferred Unitholder (i) that is a partnership a member of which is not resident in Canada for the purposes of the Tax Act, (ii) that is a "financial institution" (as defined in the Tax Act for purposes of the mark-to-market rules), (iii) that is a "specified financial institution" (as defined in the Tax Act), (iv) an interest in which is a "tax shelter investment" (as defined in the Tax Act), or (v) who has elected to have the "functional currency" reporting rules under the Tax Act apply. In addition, this summary does not address the deductibility of interest by a Preferred Unitholder who has borrowed money to acquire Preferred Units.

This summary is based upon the facts set out in this prospectus supplement, the provisions of the Tax Act and the regulations under the Tax Act ("**Regulations**") in force at the date of this prospectus supplement, all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative practices and assessing policies of the Canada Revenue Agency ("**CRA**") and a certificate of the Trust as to certain factual matters. This summary is also based on an advance income tax ruling received by the Trust from the CRA (the "**Ruling**") in respect of the authorization of the Preferred Units and the issuance of the Series A Units and Series B Units. There can be

no assurance that the proposed amendments will be implemented in their current form or at all. Except for the Tax Proposals, this summary does not otherwise take into account or anticipate any changes of law or practice, whether by judicial, governmental or legislative decision or action, or changes in the administrative policies or assessment practices of the CRA, nor does it take into account provincial, territorial or foreign tax legislation or considerations which may differ significantly from those discussed in this prospectus supplement.

The Trust received the Ruling on October 1, 2010 in respect of the authorization of the Preferred Units and the issuance of the Series A Units and Series B Units. The Ruling is not binding on the CRA in respect of subsequent issuances of Preferred Units (including the issuance of Series C Units and Series D Units). The Trust has not applied for, and does not intend to apply for, an advance tax ruling in respect of the issuance of Series C Units and Series D Units. The terms of the Series C Units and Series D Units are substantially similar to the terms of the Preferred Units considered in the Ruling. Counsel believes that the opinions contained in the Ruling reflect the current administrative views of the CRA. While no assurances can be provided in this regard, counsel believes that the ruling and the opinions contained therein should be equally applicable to the issuance of Series C Units and Series D Units.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Preferred Unitholder, and no representations with respect to the income tax consequences to any particular Preferred Unitholder are made. Accordingly, prospective purchasers should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring, holding and disposing of Series C Units and/or Series D Units, including the application and effect of the income and other tax laws of any country, province, state or local tax authority.**

**This summary does not address any Canadian federal income tax considerations applicable to non-residents of Canada, and non-residents should consult their own tax advisors regarding the tax consequences of acquiring and holding Series C Units or Series D Units. All payments to non-residents of Canada of distributions on the Series C Units or Series D Units will be net of any applicable withholding taxes.**

#### *Status of the Fund*

This summary is based on the assumption that the Trust qualifies at all relevant times as a “mutual fund trust” as defined in the Tax Act. The Trust has advised counsel that the Trust is and expects to continue to so qualify at all material times. If the Trust were not to qualify as a “mutual fund trust”, the income tax considerations described below would, in some respects, be materially different.

#### *Taxation of the Trust*

The taxation year of the Trust is the calendar year. In each taxation year, the Trust will be subject to tax under the Tax Act on its income for tax purposes for the year, including any recapture of capital cost allowance and any net realized taxable capital gains, less the portion thereof that it deducts in respect of the amounts paid or payable in the year to holders of Preferred Units or Units (“collectively, “**Unitholders**”), subject to the SIFT Rules (as described and defined below). An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to such Unitholder in the year by the Trust or if the Unitholder is entitled in that year to enforce payment of the amount.

In general, it is expected that all of the Trust’s income for tax purposes will be paid or payable to Unitholders in the year. The Trust will deduct, for tax purposes, such portion of the amount paid or payable, or deemed to be paid or payable, to Preferred Unitholders and Unitholders in the year so that the Trust will generally not be liable for income tax in any year, subject to the SIFT Rules.

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



### *SIFT Rules and REIT Exception*

Pursuant to amendments to the Tax Act, the taxation regime applicable to specified investment flow-through trusts or partnerships (“SIFTs”) and investors in SIFTs has been altered. If the Trust were to become subject to these new rules (the “SIFT Rules”), the Trust would generally be taxed in a manner similar to corporations on income from business carried on in Canada by the Trust and on income (other than taxable dividends) or capital gains from “non-portfolio properties” (as defined in the Tax Act), at a combined federal/provincial tax rate similar to that of a corporation. Allocations or distributions of income and capital gains that are subject to the SIFT Rules will be taxed as a dividend from a taxable Canadian corporation in the hands of the beneficiaries of the Trust. Under the SIFT Rules, such dividends will be “eligible dividends” (as defined in the Tax Act) and a Canadian resident individual should therefore benefit from an enhanced gross-up and dividend tax credit available under the Tax Act. In general, distributions paid as returns of capital will not be subject to the SIFT Rules.

The Trust will not be considered to be a SIFT trust in respect of a particular taxation year and, accordingly, will not be subject to the SIFT Rules in that year, if it qualifies as a “real estate investment trust” for the year (the “**REIT Exception**”). The REIT Exception to the SIFT Rules is comprised of a number of technical tests and the determination as to whether the Trust qualifies for the REIT Exception in any particular taxation year can only be made with certainty at the end of that taxation year. On December 6, 2010, RioCan announced that it had completed the necessary restructuring to qualify for the REIT Exception commencing for the 2011 taxation year. In addition, management has further advised counsel that its current intention is to qualify for the REIT Exception at all future times. However, there can be no assurance that subsequent investments or activities undertaken by the Trust will not result in the Trust failing to qualify for the REIT Exception. If the Trust is subject to the SIFT Rules, certain income tax considerations would, in some respects, be materially and adversely different, and the SIFT Rules may, depending on the nature of distributions from the Trust, including what portion of its distributions are income and what portion are returns of capital, have a material adverse effect on the after-tax returns of certain Unitholders.

On December 16, 2010, the Department of Finance announced proposed amendments to the REIT Exception, proposed to be effective as of January 1, 2011. RioCan has advised that it expects to be able to qualify for the REIT Exception under these proposed rules.

### *Taxation of Preferred Unitholders*

A Preferred Unitholder is required to include in computing his or her income for tax purposes in each year the amount of income and net taxable capital gains, if any, paid or payable, or deemed to be paid or payable, to the Preferred Unitholder in the year by the Trust to the extent that the Trust deducts such amount in computing its income for tax purposes. The Trust’s income and net taxable gains for the purposes of the Tax Act will be allocated to the holders of Units and Preferred Units in the same proportion as the distributions received by such holders.

The amount of the non-taxable portion of any net realized capital gains of the Trust that is paid or payable to a Preferred Unitholder in a taxation year will not be included in computing the Preferred Unitholder’s income for the year. The Preferred Unitholder will not be required to reduce the adjusted cost base of the Preferred Unitholder’s Series C or Series D Units by such an amount.

Any other amount in excess of the income for tax purposes of the Trust that is paid or payable to a Preferred Unitholder in that year generally will not be included in the Preferred Unitholder’s income for the year. However, where such an amount is paid or payable to a Preferred Unitholder, the Preferred Unitholder will be required to reduce the adjusted cost base of the Preferred Unitholder’s Series C or Series D Units, as the case may be, by that amount. To the extent that the adjusted cost base of a Series C or Series D Unit would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Series C or Series D Unit to the Preferred Unitholder will then be nil. The taxation of capital gains is described below (see “Capital Gains and Capital Losses”).

### *Disposition and Reclassification of Units*

In general, a disposition or deemed disposition of a Series C or Series D Unit will give rise to a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Series C or Series D Unit, as the case may be, to the Preferred Unitholder. In the Ruling, the CRA expressed the preliminary view that the reclassification of Series A Units as Series B Units (or Series B Units as Series A Units) would likely result in a taxable disposition at that time. For the reasons discussed above, counsel believes that the CRA would adopt the same view with respect to the reclassification of Series C Units as Series D Units (or Series D Units as Series C Units). In such circumstances, a Preferred Unitholder will generally be considered to have disposed of the reclassified Preferred Units for proceeds of disposition equal to the fair market value of the Preferred Units which such units are reclassified as.

The adjusted cost base of a Series C or Series D Unit to a Preferred Unitholder will include all amounts paid or payable by the Preferred Unitholder for the Series C or Series D Unit, with certain adjustments. For the purpose of determining the adjusted cost base to a Preferred Unitholder of Series C or Series D Units, when a Series C or Series D Unit is acquired, the cost of the newly-acquired Series C or Series D Unit will be averaged with the adjusted cost base of all of the Series C or Series D Units owned by the Preferred Unitholder at that time as capital property immediately before that acquisition.

### *Capital Gains and Capital Losses*

One-half of the amount of any capital gain (a “taxable capital gain”) realized by a Preferred Unitholder in a taxation year generally must be included in the Preferred Unitholder’s income for that year, and one-half of the amount of any capital loss (an “allowable capital loss”) realized by a Preferred Unitholder in a taxation year must generally be deducted from taxable capital gains realized by the Preferred Unitholder in that year. Allowable capital losses in excess of taxable capital gains for a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances provided in the Tax Act.

A Preferred Unitholder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay an additional refundable tax on certain investment income, including taxable capital gains.

### *Alternative Minimum Tax*

In general terms, income for tax purposes of the Trust paid or payable to a Preferred Unitholder who is an individual or a certain type of trust that is designated as net realized capital gains and capital gains realized on the disposition of Series C or Series D Units may increase the Preferred Unitholder’s liability for alternative minimum tax.

## **RISK FACTORS**

**Prospective investors in a particular offering of the Series C Units and holders of Series C Units that elect to reclassify Series C Units as Series D Units should carefully consider, in addition to the information contained in this prospectus supplement, the Prospectus and the information incorporated by reference therein, the risks described in the section entitled “Risk Factors” beginning at page 110 of RioCan’s current annual information form and the section entitled “Risks and Uncertainties” beginning at page 65 of the Interim Financial Report, which are incorporated by reference in the Prospectus as at the date hereof and relate to a distribution of Units. References in such risk factors to “Unitholders” may include holders of Preferred Units and therefore may be applicable to the distribution of Preferred Units contemplated and referred to herein.**

In addition to the foregoing, no assurance can be given that Canadian federal income tax law respecting the taxation of income trusts and other flow-through entities will not be further changed in a manner that adversely affects the Trust and its Preferred Unitholders.

Based on a review of its assets and revenues, management has advised counsel that it is expected that the Trust will satisfy the tests to qualify for the REIT Exception for 2011. In addition, management has further advised counsel that its current intention is to qualify for the REIT Exception at all future times. On December 16, 2010, the Department of Finance announced proposed amendments to the REIT Exception, proposed to be effective as of January 1, 2011. Riocan has advised that it expects to continue to qualify for the REIT Exception under these proposed rules. However, there can be no assurance that subsequent investments or activities undertaken by the Trust will not result in the Trust failing to qualify for the REIT Exception and being subject to the SIFT Rules. If the Trust is subject to the SIFT Rules, certain of the income tax considerations described above would, in some respects, be materially and adversely different.

While the net proceeds of the Offering are expected to enhance RioCan's liquidity, to the extent that a portion of the net proceeds of the Offering remains as cash, or is used to pay down indebtedness with a low interest rate, the Offering is expected to result in dilution, on a per Unit basis, to RioCan's net income and other measures used by RioCan.

### ***Risk Factors Specific to the Series C Units and Series D Units***

Prevailing yields on similar securities will affect the market value of the Series C Units and Series D Units. Assuming all other factors remain unchanged, the market value of the Series C Units and Series D Units would be expected to decline as prevailing yields for similar securities rise and would be expected to increase as prevailing yields for similar securities decline. Spreads over the Government of Canada Yield, T-Bill Rate and comparable benchmark rates of interests for similar securities will also affect the market value of the Series C Units and Series D Units in an analogous manner.

Neither the Series C Units nor the Series D Units have a fixed maturity date and are not redeemable at the option of the holder thereof. The ability of a holder to liquidate its holdings of Series C Units or Series D Units, as applicable, may be limited.

There can be no assurance that an active trading market will develop for the Series C Units after the Offering or for the Series D Units following the reclassification of any Series C Units as Series D Units, or if developed, that such a market will be sustained at the Offering Price.

The Trust may choose to redeem the Series C Units and the Series D Units from time to time, in accordance with the rights described under "Details of the Offering – Description of the Series C Units – Redemption" and "Details of the Offering – Description of the Series D Units – Redemption", including when prevailing interest rates are lower than the yield borne by the Series C Units and the Series D Units, respectively. If prevailing rates are lower at the time of redemption, a purchaser would not be able to reinvest the redemption proceeds in a comparable security at an effective yield as high as the yield on the Series C Units or Series D Units being redeemed. The Trust's redemption right also may adversely impact a purchaser's ability to sell Series C Units or Series D Units as the optional redemption date or period approaches.

The distribution rate in respect of the Series C Units will reset on June 30, 2017 and every five years thereafter. The distribution rate in respect of the Series D Units will reset quarterly. In each case, the new distribution rate is unlikely to be the same as, and may be lower than, the distribution rate for the applicable preceding distribution period.

Investments in the Series D Units, given their floating interest component, entail risks not associated with investments in the Series C Units. The resetting of the applicable rate on a Series D Unit may result in a lower yield compared to fixed rate Series C Units. The applicable rate on a Series D Unit will fluctuate in accordance with fluctuations in the T-Bill Rate on which the applicable rate is based, which in turn may fluctuate and be affected by a number of interrelated factors, including economic, financial and political events over which the Trust has no control.

An investment in the Series C Units, or in the Series D Units, as the case may be, may become an investment in Series D Units, or in Series C Units, respectively, without the consent of the holder in the event of an automatic reclassification in the circumstances described under "Details of the Offering – Description of the Series C Units – Reclassification of Series C Units as Series D Units" and "Details of the Offering – Description of the Series D Units –

Reclassification of Series D Units as Series C Units”. Upon the automatic reclassification of the Series C Units as Series D Units, the distribution rate on the Series D Units will be a floating rate that is adjusted quarterly by reference to the T-Bill Rate which may vary from time to time while, upon the automatic reclassification of the Series D Units as Series C Units, the distribution rate on the Series C Units will be, for each five-year period, a fixed rate that is determined by reference to the Government of Canada Yield on the 30<sup>th</sup> day prior to the first day of each such five-year period. In addition, holders may be prevented from reclassifying their Series C Units as Series D Units, and vice versa, in certain circumstances. See “Details of the Offering – Description of the Series C Units – Reclassification of Series C Units as Series D Units” and “Details of the Offering – Description of the Series D Units – Reclassification of Series D Units as Series C Units”.

The Canadian federal income tax considerations that may arise in connection with the acquisition, holding, disposition or reclassification of Preferred Units are, in some respects, materially different from the acquisition, holding, disposition or exchange of preferred shares of a corporation. See “Principal Canadian Federal Income Tax Considerations” for a summary of the principal Canadian federal income tax considerations generally applicable to a Preferred Unitholder. In particular, in the Ruling the CRA expressed the preliminary view that the reclassification of Series A Units as Series B Units (or Series B Units as Series A Units) would likely result in a taxable disposition at that time. For the reasons discussed above, counsel believes that the CRA would adopt the same view with respect to the reclassification of Series C Units as Series D Units (or Series D Units as Series C Units). A disposition or deemed disposition of a Series C or Series D Unit will give rise to a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Series C or Series D Unit, as the case may be, to the Preferred Unitholder. The adjusted cost base of a Series C Unit or Series D Unit to a Preferred Unitholder will be reduced by any amount in excess of the income for tax purposes of the Trust that is paid or payable to the holder thereof on such Preferred Unit. It is currently anticipated that a portion of the distributions paid by the Trust in a given year will consist of such amounts.

The summary set out herein of the principal Canadian federal income tax considerations generally applicable to a Preferred Unitholder who acquires Series C Units pursuant to the Offering (see “Principal Canadian Federal Income Tax Considerations”) is based upon the facts set out in this prospectus supplement, the provisions of the Tax Act and the Regulations in force at the date of this prospectus supplement, the Tax Proposals, counsel’s understanding of the current published administrative practices and assessing policies of the CRA and a certificate of the Trust as to certain factual matters. It is also based on the Ruling. The Ruling was received by the Trust from the CRA in respect of the authorization of the Preferred Units and the issuance of the Series A Units and Series B Units. The Ruling is not binding on the CRA in respect of subsequent issuances of Preferred Units (including the issuance of Series C Units and Series D Units). The Trust has not applied for, and does not intend to apply for, an advance tax ruling in respect of the issuance of Series C Units and Series D Units. The terms of the Series C Units and Series D Units are substantially similar to the terms of the Preferred Units considered in the Ruling. Counsel believes that the opinions contained in the Ruling reflect the current administrative views of the CRA. While no assurances can be provided in this regard, counsel believes that the ruling and the opinions contained therein should be equally applicable to the issuance of Series C Units and Series D Units.

## **ELIGIBILITY FOR INVESTMENT**

In the opinion of Goodmans LLP, counsel to the Trust, and of Torys LLP, counsel to the Underwriters, provided that (i) the Trust qualifies as a “mutual fund trust”, as defined in the Tax Act, or (ii) the Series C Units and Series D Units are listed on the TSX (or another designated stock exchange), the Series C Units and Series D Units will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts, each as defined in the Tax Act.

Notwithstanding the foregoing, the holder of a tax-free savings account will be subject to a penalty tax on the Series C Units or Series D Units if such units are a “prohibited investment” for the tax-free savings account. Series C Units and Series D Units will generally be a “prohibited investment” if the holder of a tax-free savings account does not

deal at arm's length with the Trust for purposes of the Tax Act or the holder of the tax-free savings account has a "significant interest" (within the meaning of the Tax Act) in the Trust or a corporation, partnership or trust with which the Trust does not deal at arm's length for purposes of the Tax Act. Tax Proposals extend these rules to trusts governed by registered retirement savings plans and registered retirement income funds and their annuitants. Holders are advised to consult their own tax advisors in this regard.

#### **TRANSFER AGENT AND REGISTRAR**

The registrar and transfer agent for the Series C Units and Series D Units is CIBC Mellon Trust Company at its principal offices in Toronto, Ontario.

#### **LEGAL MATTERS**

Certain legal matters relating to the distribution of the Series C Units offered by this prospectus supplement, together with the Prospectus, will be passed upon at the Closing Date on behalf of RioCan by Goodmans LLP and on behalf of the Underwriters by Torys LLP. As of November 18, 2011, the partners and associates of Goodmans LLP and Torys LLP beneficially owned, directly or indirectly, less than 1% of the outstanding securities of RioCan. Dale H. Lastman, a partner of Goodmans LLP, is a member of the Board of Trustees of RioCan.

#### **AUDITORS**

RioCan's auditors for the fiscal year ended December 31, 2010 and 2009 were Ernst & Young LLP, Chartered Accountants, 222 Bay Street, Toronto, Ontario, M5K 1J7. Ernst & Young LLP is independent of RioCan in accordance with the rules of professional conduct of the Institute of Chartered Accountants of Ontario.

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

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

## AUDITORS' CONSENT

We have read the amended and restated base shelf short form prospectus of RioCan Real Estate Investment Trust (the "**REIT**") dated December 21, 2010 and the prospectus supplement of the REIT dated November 21, 2011 relating to the issuance of preferred units of the REIT. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned prospectus supplement of our report to the unitholders of the REIT on the consolidated balance sheets of the REIT as at December 31, 2010 and 2009, and the consolidated statements of unitholders' equity, earnings and comprehensive income and cash flows for the years then ended. Our report is dated February 25, 2011.

Toronto, Canada  
November 21, 2011

(SIGNED) ERNST & YOUNG LLP  
Chartered Accountants  
Licensed Public Accountants

## UNDERWRITERS' CERTIFICATE

November 21, 2011

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

RBC DOMINION SECURITIES INC.

BY: (SIGNED) WILLIAM WONG

CIBC WORLD MARKETS INC.

BY: (SIGNED) PAUL FARRELL

TD SECURITIES INC.

BY: (SIGNED) ARMEN FARIAN

BMO NESBITT BURNS INC.

BY: (SIGNED) DEREK DERMOTT

SCOTIA CAPITAL INC.

BY: (SIGNED) STEPHEN SENDER

MACQUARIE CAPITAL MARKETS CANADA LTD.

BY: (SIGNED) JOHN BARTKIW

NATIONAL BANK FINANCIAL INC.

BY: (SIGNED) CRAIG J. SHANNON

CANACCORD GENUITY CORP.

BY: (SIGNED) JUSTIN BOSA

RAYMOND JAMES LTD.

BY: (SIGNED) J. GRAHAM FELL

## CERTIFICATE

November 21, 2011

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

BY: (SIGNED) EDWARD SONSHINE, Q.C.  
President and Chief Executive Officer

BY: (SIGNED) RAGHUNATH DAVLOOR  
Senior Vice President and Chief Financial Officer

On behalf of the Trustees

BY: (SIGNED) DALE LASTMAN  
Trustee

BY: (SIGNED) PAUL GODFREY  
Trustee