



CT REAL ESTATE INVESTMENT TRUST
2017 Annual Information Form

February 12, 2018

**ANNUAL INFORMATION FORM
CT REAL ESTATE INVESTMENT TRUST
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Certain brands mentioned in this report are the trade-marks of Canadian Tire Corporation, Limited, CT Real Estate Investment Trust, Mark's Work Wearhouse Ltd., FGL Sports Ltd. or used under license. Others are the property of their respective owners. Solely for convenience, certain trade-marks referred to herein may appear without the ® or ™ symbol.

FORWARD-LOOKING INFORMATION

This Annual Information Form contains forward-looking information that reflects management's current expectations relating to matters such as future financial performance and operating results of CT Real Estate Investment Trust ("CT REIT" or the "REIT") including all entities controlled by it, unless the context requires otherwise. All statements, other than statements of historical fact, in this Annual Information Form that address activities, events or developments that CT REIT or a third party expects or anticipates will or may occur in the future, including the REIT's future growth, results of operations, performance and business prospects and opportunities, and the assumptions underlying any of the foregoing, are forward-looking statements. These forward-looking statements reflect management's current beliefs and are based on information currently available to CT REIT and on assumptions CT REIT believes are reasonable. Actual results and developments may differ materially from results and developments discussed in the forward-looking statements as they are subject to a number of significant risks and uncertainties, including those discussed in section 4 "Risk Factors" of this Annual Information Form and elsewhere in this Annual Information Form and also in Section 11.0 "Enterprise Risk Management" of CT REIT's Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2017. Certain of these risk factors and uncertainties are beyond the REIT's control. Consequently, all of the forward-looking statements made in this Annual Information Form are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the REIT. These forward-looking statements are made as of the date of this Annual Information Form and CT REIT assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise. Capitalized terms used herein are as defined in the glossary of terms at the end of this document.

Some of the specific forward-looking statements included in this Annual Information Form include, but are not limited to, statements with respect to the:

- intention of the REIT to pay stable and growing distributions;
- ability of the REIT to execute its growth strategies;
- projections of financial performance of the REIT for the periods set forth herein;
- access of the REIT to available sources of debt and/or equity financing;
- expected economic, industry and demographic trends;
- expected tax treatment of the REIT and its distributions to Unitholders;
- REIT's ability to expand its asset base, make accretive acquisitions, develop or intensify its Properties;
- acquisitions from a third party expected to close in Q1 2018;
- ability of the REIT to participate with CTC in the development or intensification of the Properties; and
- ability of the REIT to qualify as a "mutual fund trust", as defined in the Tax Act, and as a "real estate investment trust", as defined in the SIFT Rules.

Numerous risks and uncertainties could cause the REIT's actual results to differ materially from those expressed, implied or projected in the forward-looking statements, including those described in section 4 of this Annual Information Form entitled "Risk Factors". Such risks and uncertainties include:

- uncertainty relating to the economy and economic conditions, including the rate of inflation and deflation and the availability and cost of credit;
- uncertainty regarding the REIT's ability to obtain debt or equity financing on reasonable terms or at all;
- changes in laws and regulatory regimes affecting the REIT, including changes in the tax treatment of the REIT and the REIT's ability to qualify as a "mutual fund trust" and "real estate investment trust", as such terms are defined in the *Income Tax Act* (Canada);
- the economic stability of local regions in which the REIT's Properties are located;
- the geographic concentration of the REIT's Properties in Ontario, Quebec and Western Canada;
- the lack of diversity in the asset class of the REIT's investments, particularly retail properties;
- the dependence of the REIT on CTC to meet its lease obligations;
- increases to the REIT's capital expenditure commitments and fixed cost requirements;
- the significant ownership stake by CTC in the REIT;
- the reliance on CTC for the provision of services under the Services Agreement and Property Management Agreement;
- uncertainties relating to outsourced business activities, property management and development, environmental liabilities, and business disruption;
- the REIT's ability to expand its asset base through acquisitions from CTC;
- the REIT's ability to develop or intensify its Properties, including changes in timing to obtain municipal and other approvals, development costs, and other factors that could impair the REIT's development or intensification projects; and
- the future financial performance and operating results of the REIT's key tenant, CTC.

CT REIT cautions that the foregoing list of risks is not exhaustive and other factors could also adversely affect its results. Investors and other readers are urged to consider the foregoing risks, uncertainties, factors and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such forward-looking information. For more information on the risks, uncertainties and assumptions that could cause CT REIT's actual results to differ from current expectations, please also refer to CT REIT's public filings available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and at www.ctreit.com

Statements that include forward-looking information do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made, have on CT REIT's business. For example, they do not include the effect of any dispositions, acquisitions, asset write-downs or other charges announced or occurring after such statements are made. CT REIT does not undertake to update any forward-looking information, whether written or oral, that may be made from time to time by it or on its behalf, to reflect new information, future events or otherwise, except as is required by applicable securities laws.

ANNUAL INFORMATION FORM

CT REAL ESTATE INVESTMENT TRUST[®]

Unless otherwise specified herein, the information in this Annual Information Form ("AIF") is presented as at December 31, 2017 and all dollar amounts are expressed in Canadian dollars. Rounded numbers are used in this AIF and, as such, totals may not add to 100 percent. Occupancy and other leasing key performance measures in this AIF have been prepared on a committed basis which includes the impact of existing lease agreements contracted on or before December 31, 2017. Capitalized terms used herein are as defined in the glossary of terms at the end of this document.

1. CORPORATE STRUCTURE

1.1 Overview

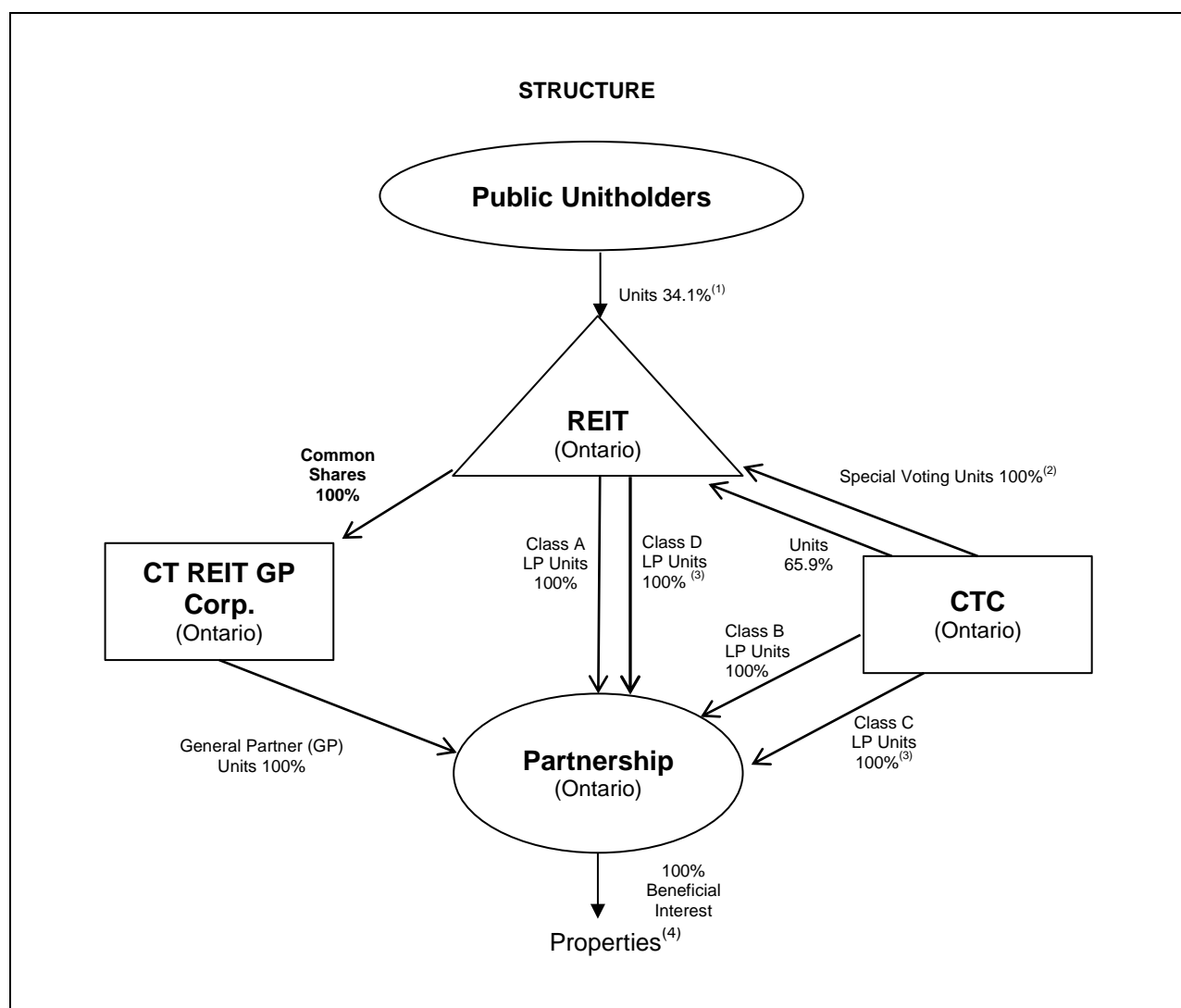
CT REIT is an unincorporated, closed-end real estate investment trust established on July 15, 2013 pursuant to a declaration of trust, under, and governed by, the laws of the Province of Ontario, as amended and restated as at October 22, 2013 (the "Declaration of Trust"). The registered and head office of the REIT is located at 2180 Yonge Street, Toronto, Ontario, M4P 2V8. The REIT was formed to own income-producing commercial properties located primarily in Canada.

The REIT's Units are listed and posted for trading on the TSX under the trading symbol "CRT.UN".

1.2 Intercorporate Relationships

As at December 31, 2017, CTC held, indirectly, an 85.5% effective interest in the REIT through ownership of 59,711,094 Units and all of the issued and outstanding Class B LP Units, which are economically equivalent to and exchangeable for Units. CTC also owned all of the Class C LP Units.

The following diagram illustrates the organizational structure of CT REIT and its principal Subsidiaries, their respective jurisdictions of incorporation or formation, and the percentages of voting and non-voting securities owned by the REIT and CTC as at December 31, 2017.



Notes:

- (1) As at December 31, 2017, CTC's effective interest in the REIT was 85.5% consisting of 59,711,094 of the issued and outstanding Units and of all of the issued and outstanding Class B LP Units.
- (2) Each Class B LP Unit is accompanied by one Special Voting Unit which provides the holder thereof with a right to vote on matters respecting the REIT equal to the number of Units that may be obtained upon the exchange of the Class B LP Unit to which each Special Voting Unit is attached.
- (3) See section 5.2 "Authorized Capital and Outstanding Securities" and section 6 "Partnership – Class C LP Units" for a description of the Class C LP Units and section 6 "Partnership – Class D LP Units" for a description of the Class D LP Units.
- (4) The Properties are held through various nominee subsidiary corporations.

2. DESCRIPTION OF THE BUSINESS

2.1 Overview and Strategy

The principal objective of the REIT is to create Unitholder value over the long-term by generating reliable, durable and growing monthly cash distributions on a tax-efficient basis. To achieve this objective, management is focused on expanding the REIT's asset base while also increasing its Adjusted Funds From Operations ("AFFO") per Unit.

Future growth is expected to be achieved from a number of sources including the following:

- (i) The current portfolio of Canadian Tire store leases contains contractual annual rent escalations of approximately 1.5% per year, on average, over the initial term of the leases and have a weighted average remaining lease term of approximately 11.7 years;
- (ii) CT REIT has contractual arrangements with CTC whereby CT REIT has a ROFO on all of the CTC properties which meet the REIT's investment criteria and preferential rights, subject to certain exceptions, to participate in the development of, and to acquire, certain new retail properties; and
- (iii) CT REIT will continue to seek to use its relationship with CTC to obtain insights into potential real estate acquisitions and development opportunities in markets across Canada.

2.2 Overview of the Property Portfolio

As at December 31, 2017, CT REIT indirectly owned, through the Partnership, a portfolio of 331 properties, including nine ground leases. The portfolio consists of 319 retail properties, four distribution centres, one mixed-use commercial property and seven Properties Under Development (collectively, the "Properties" and each one, a "Property"). The Properties are located in each of the provinces and in two territories across Canada. Together, the retail properties, distribution centres and mixed-use commercial property contain approximately 25.8 million square feet of gross leasable area ("GLA"). The retail properties are made up of 266 single tenant properties (254 of which are Canadian Tire single tenant properties and 12 of which are other third party single tenant properties), 49 multi-tenant properties anchored by a Canadian Tire store (six of which are enclosed shopping centres) and four multi-tenant properties not anchored by a Canadian Tire store. The 304 Canadian Tire stores owned by the REIT (two of which are classified as Properties Under Development but remain operational) range in size from 12,000 square feet of total GLA to 198,000 square feet of GLA. As at December 31, 2017, CTC represented 95.3% of total GLA and 93.2% of annualized base minimum rent.

The following chart outlines the REIT's property portfolio by tenant type as at December 31, 2017.

Tenant Type	
Canadian Tire single tenant properties ⁽¹⁾	254
Other single tenant properties	12
Multi-tenant properties anchored by Canadian Tire store	49
Multi-tenant properties not anchored by Canadian Tire store	4
Distribution centres	4
Mixed-use property	1
Total operating properties	324
Development properties	7
Total Properties	331
Gas bars at retail properties	99

Notes:

(1) One of the income-producing properties is subject to a ground lease.

The following chart outlines the GLA, occupancy and annualized base minimum rent of the REIT's property portfolio, excluding Properties Under Development, by tenant type as at December 31, 2017.

Tenant Type	GLA	GLA %	Occupied GLA	Occupancy Rate ⁽¹⁾	Annualized Base Minimum Rent % ⁽¹⁾
Canadian Tire stores	20,016,117	77.5%	20,016,117	100%	80.2%
Distribution centres	3,914,871	15.1%	3,682,834	94.1%	9.5%
Mixed-use property ⁽²⁾	281,280	1.1%	274,921	97.7%	1.8%
Third party tenants	1,189,102	4.6%	1,074,854	90.4%	6.0%
Other CTC Banners	448,403	1.7%	448,403	100%	2.5%
Total⁽²⁾	25,849,773	100%	25,497,129	98.6%	100%

Notes:

(1) Occupancy and other leasing key performance measures have been prepared on a committed basis which includes the impact of existing lease agreements contracted on or before December 31, 2017.

(2) Represents the REIT's one-third interest in Canada Square.

2.3 Description of Key Tenant

CTC is the REIT's most significant tenant with Canadian Tire stores and the CTC Distribution Centres representing approximately 89.7% of the REIT's annualized base minimum rent or approximately 93.2% of the REIT's annualized base minimum rent if all CTC Banner stores and the CTC Office are included. In addition to CT REIT, CTC's principal Subsidiaries include Canadian Tire Real Estate Limited ("CTREL"), FGL Sports Ltd. ("FGL"), and Mark's Work Wearhouse Ltd. ("Mark's") all of which are wholly-owned by CTC, and CTFS Holdings Limited ("CTFS") in which CTC has an 80% interest with the remaining 20% interest being held by The Bank of Nova Scotia. Canadian Tire Bank is a wholly-owned subsidiary of CTFS.

CTC has been in business for over 95 years, and offers a range of products and services to Canadians through a family of businesses including: (i) Canadian Tire, with stores that are easily identified by the Canadian Tire name and trade-mark, which has established a strong reputation and high recognition throughout the communities it serves; (ii) Canadian Tire Gas+; (iii) PartSource, a chain of specialty stores that offer brand name automotive parts targeted to medium to heavy "do-it-yourselfers", automotive enthusiasts and commercial installers; (iv) FGL, selling footwear, sports equipment and apparel through a network of corporately owned and franchised retail stores including Sport Chek and Sports Experts; (v) Mark's, offering casual and industrial clothing and footwear to men and women for work and leisure, operating under the name L'Équipeur in Quebec; and (vi) Canadian Tire Financial Services, which markets financial and other products and services including credit cards, in-store financing, and retail deposits. CT REIT's portfolio includes Canadian Tire, Canadian Tire Gas+, Sport Chek and Mark's-branded store properties.

CTC, through its Associate Dealers, operates 501 Canadian Tire stores of which 304 are owned by CT REIT (two of which are classified as Properties Under Development but remain operational) and leased to CTC. There are approximately 1,200 additional locations operating under various Other CTC Banners and Canadian Tire Gas+.

Canadian Tire stores are located in each of the provinces and in two territories across Canada. CTC licenses the premises on which the Canadian Tire stores are located to individual Associate Dealers who operate each Canadian Tire store and have local knowledge of their respective store's customers and community.

CTC's issued and outstanding Common Shares and Class A Non-Voting Shares are listed on the TSX and are traded under the symbols "CTC" and "CTC.A", respectively.

CTC's debt securities have been rated by DBRS Limited ("DBRS") and S&P Global Ratings acting through Standard & Poor's Ratings Services (Canada), a business unit of S&P Global Canada Corp. ("S&P"), as follows (all with a stable outlook):

Credit Rating Summary	DBRS	S&P
Medium Term Notes	BBB (high)	BBB+

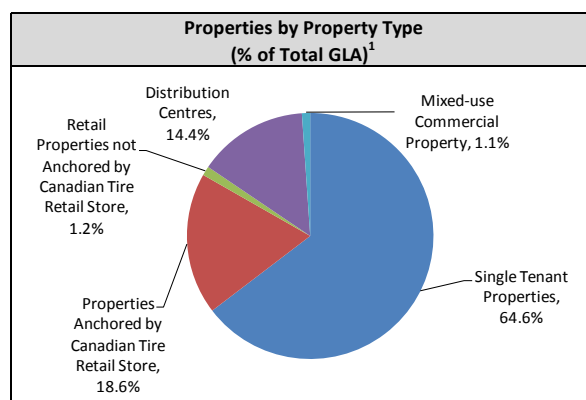
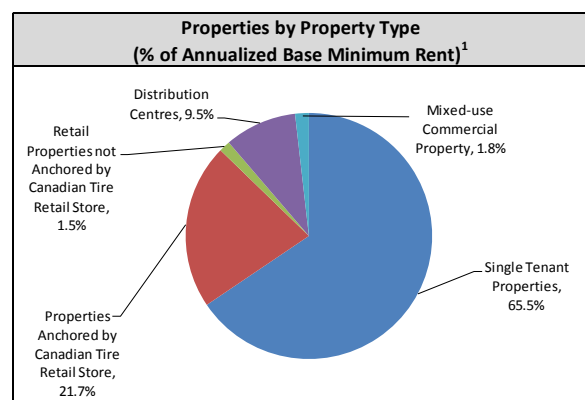
Further information about CTC is available through its public filings available on SEDAR at www.sedar.com and at www.corp.canadiantire.ca.

2.4 Description of Property Portfolio

The Properties are well located within their respective markets and have stable characteristics, which include high occupancy, staggered lease maturities and strong retailing attributes, including location, traffic, visibility, frontage and parking. The Properties are located in commercial areas and are co-located with, or located in close proximity to, supermarkets and other large-scale retailers, attracting a high volume of customers to the Properties. Schedule B to this AIF highlights certain information regarding the Properties.

2.5 Property Type Breakdown

The annualized base minimum rent for the Properties, excluding Properties Under Development, is divided among single tenant properties (65.5%), properties anchored by a Canadian Tire store and containing one or more Other CTC Banner stores and/or third party tenants (21.7%), four distribution centres (9.5%), retail properties not anchored by a Canadian Tire store (1.5%) and a mixed-use commercial property (1.8%). The following charts illustrate the composition of these Properties, excluding Properties Under Development, measured by annualized base minimum rent and total GLA as at December 31, 2017.

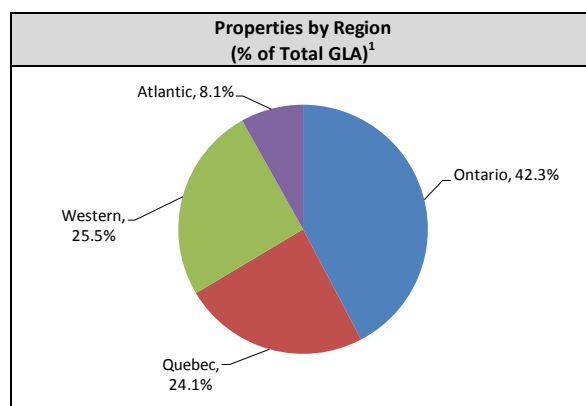
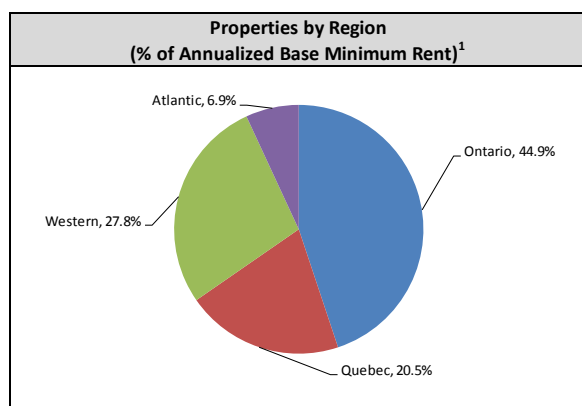


Note:

- (1) Occupancy and other leasing key performance measures have been prepared on a committed basis which includes the impact of existing lease agreements contracted on or before December 31, 2017.

2.6 Geographic Breakdown of Portfolio

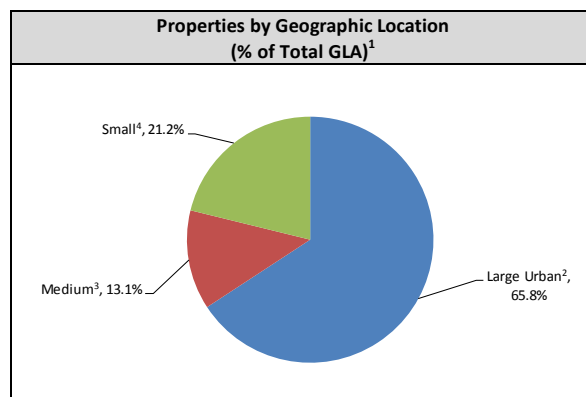
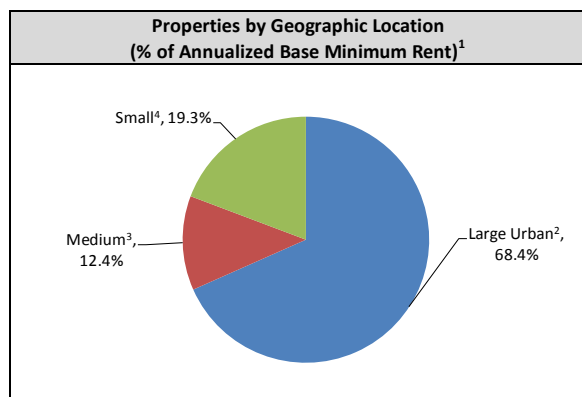
The following charts illustrate the geographic distribution of the Properties, excluding Properties Under Development, measured by annualized base minimum rent and total GLA, as at December 31, 2017.



Note:

(1) Occupancy and other leasing key performance measures have been prepared on a committed basis which includes the impact of existing lease agreements contracted on or before December 31, 2017.

The Properties are geographically diversified between large urban, medium and small markets across Canada with 68.4% of the annualized base minimum rent being from Properties located in large urban markets, often in close proximity to major retail areas and commercial arteries with high visibility. The following chart provides a breakdown of the Properties, excluding Properties Under Development, by large urban, medium and small markets, measured by annualized base minimum rent and total GLA as at December 31, 2017.



Notes:

- (1) Occupancy and other leasing key performance measures have been prepared on a committed basis which includes the impact of existing lease agreements contracted on or before December 31, 2017.
- (2) Large urban markets have a population of greater than 100,000.
- (3) Medium markets have a population between 20,000 and 100,000.
- (4) Small markets have a population of less than 20,000.

Approximately 48.5% of annualized base minimum rent is generated from Properties located in and around the following six large urban markets: Vancouver, Calgary, Edmonton, Toronto, Ottawa and Montreal. The following chart represents these six large urban markets as a percentage of total annualized base minimum rent as at December 31, 2017.

Six Large Urban Markets	Percentage of Total Annualized Base Minimum Rent⁽¹⁾
Vancouver	3.3%
Calgary	2.4%
Edmonton	4.1%
Toronto	22.5%
Ottawa	4.3%
Montreal	11.9%
Percentage of Annualized Base Minimum Rent⁽¹⁾	48.5%

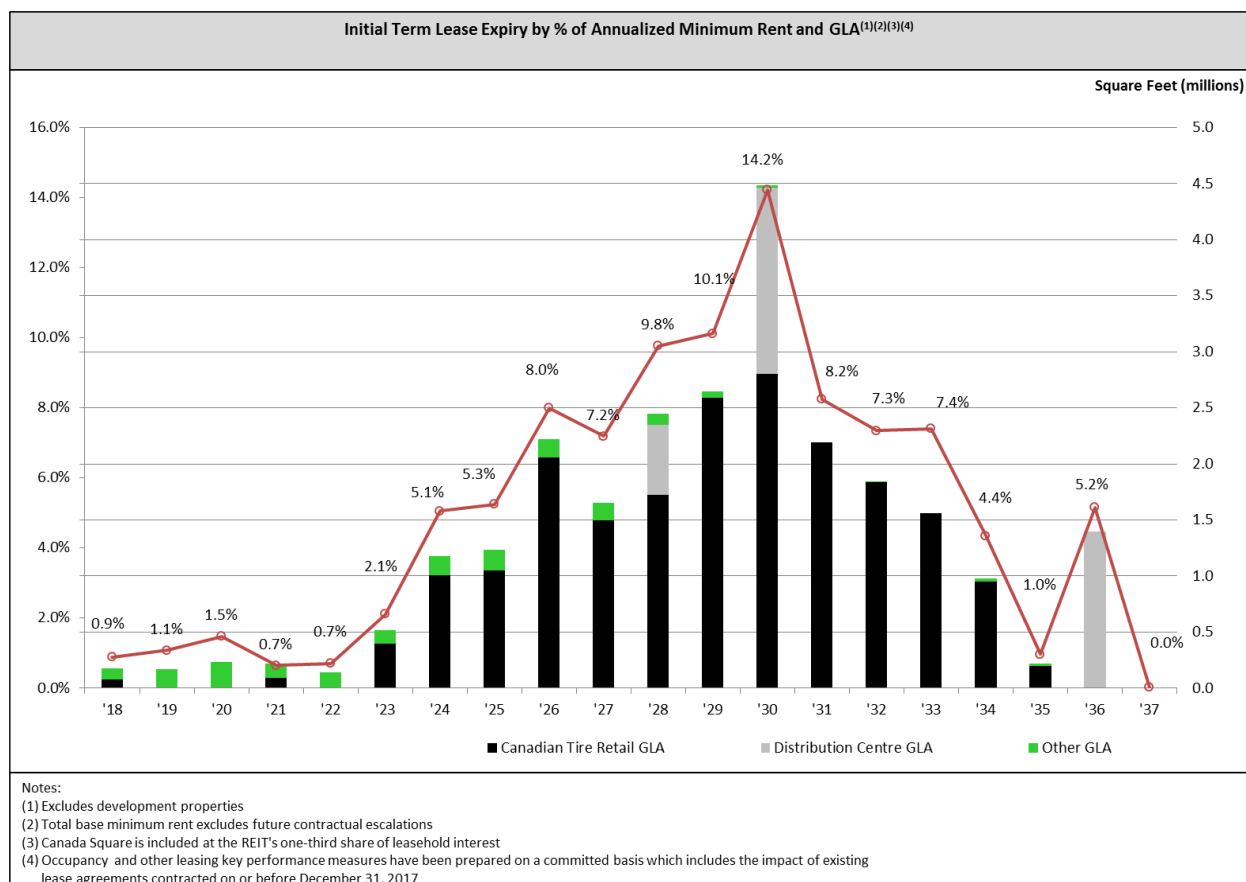
Note:

(1) Occupancy and other leasing key performance measures have been prepared on a committed basis which includes the impact of existing lease agreements contracted on or before December 31, 2017.

2.7 Occupancy and Leasing

CTC is the REIT's most significant tenant. As at December 31, 2017, CTC together with Other CTC Banners had leased 24.3 million square feet of GLA, with approximately 84.8% attributable to retail and office and 15.2% attributable to distribution centres. The weighted average term of the retail leases with CTC, including Canadian Tire stores and Other CTC Banners, was 11.6 years, excluding the exercise of any renewals. The weighted average term of the Canadian Tire store leases was 11.7 years, excluding the exercise of any renewals, with a weighted average rental rate of \$13.41 per square foot. The weighted average lease term for the CTC Distribution Centres was 15.8 years. The weighted average lease term of all tenants in the REIT's portfolio, excluding those Properties Under Development, was 11.5 years.

The following graph sets out, as at December 31, 2017, the REIT's lease maturity profile from 2018 to 2037 (assuming tenants do not exercise renewal options or termination rights, if any) as a percentage of total annualized base minimum rent and GLA as of the time of the lease expiry.



2.8 Top 10 Third Party Tenants

As at December 31, 2017, CT REIT's 10 largest tenants, excluding all CTC Banners and those located in Properties Under Development, as measured by the percentage of total annualized base minimum rent, are as follows:

Ranking	Third Party Tenant	Percentage of Total Annualized Base Minimum Rent ⁽¹⁾
1.	Canadian Imperial Bank of Commerce	0.52%
2.	Shoppers Drug Mart	0.37%
3.	Metro	0.34%
4.	Overwaitea Foods	0.28%
5.	Best Buy	0.26%
6.	Precise Parklink	0.20%
7.	Marshalls	0.20%
8.	Royal Bank of Canada	0.18%
9.	Winners	0.17%
10.	Dollarama	0.14%
	TOTAL	2.7%

Note:

(1) Occupancy and other leasing key performance measures have been prepared on a committed basis which includes the impact of unconditional lease agreements contracted on or before December 31, 2017.

2.9 Economic Dependence on CTC

CTC is the REIT's most significant tenant and will be for the foreseeable future, with Canadian Tire stores, CTC Distribution Centres and the CTC Office representing, as at December 31, 2017, approximately 90.7% of the REIT's annualized base minimum rent, or approximately 93.2% of the REIT's annualized base minimum rent if Other CTC Banner stores are also included.

Pursuant to the terms of the Canadian Tire store leases entered into between CTREL, the Partnership and a nominee subsidiary corporation of the REIT, the obligations of CTREL are guaranteed by CTC. CTC does not guarantee Canadian Tire store leases acquired from third parties and any Other CTC Banner store leases, which stores, as at December 31, 2017, accounted for approximately 2.5% of the REIT's annualized base minimum rent and 1.8% of the Properties' GLA. The CTC Distribution Centres accounted for approximately 9.5% of the REIT's annualized base minimum rent and 14.4% of the Properties' GLA. As none of these leases are material in size, the REIT is not dependent upon any one of these leases with CTC.

2.10 Intangible Properties

The REIT entered into a non-exclusive, royalty free trade-mark License Agreement with CTC for the right to use the trade-marks associated with the REIT, the CANADIAN TIRE word trade-mark and the various CANADIAN TIRE design trade-marks until the License Agreement is terminated. CTC has established procedures to protect the trade-marks which are material to the businesses carried on by it and the REIT, including the trade-mark Canadian Tire[®], the design marks associated with that trade-mark and trade-marks associated with the REIT, including Canadian Tire Real Estate Investment Trust[®], CT Real Estate Investment Trust[®], Canadian Tire REIT[®] and CT REIT[®].

CTC owns a number of domain names, including ctreit.com. The domain name is used in connection with the REIT's on-line presence. The registrations for CTC's trade-marks and domain names are renewable. Procedures are in place to ensure timely renewals.

2.11 Competitive Conditions

The REIT competes with other investors, managers and owners of properties for the purchase of desirable real estate properties to lease or develop, and for stable investment grade tenants. Competition for real estate assets is primarily based on financial and other resources as well as operating flexibility. While certain competitors may have greater financial and other resources and/or greater operating flexibility than CT REIT, the REIT has the advantage of having and maintaining an established relationship with its most significant anchor tenant, Canadian Tire. The REIT also relies on its sites which are generally well-located with favourable retailing attributes and a strong balance sheet in order to compete in the Canadian real estate sector. To compete for tenants, real estate entities typically differentiate themselves by location, age and condition of building, operational efficiency and the ability of the owner to provide adequate maintenance at competitive costs. See section 4.1 *"Risk Factors Related to the Real Estate Industry and Business of the REIT - Competition"*.

2.12 Environmental Policy

The REIT has established policies and practices to support its ongoing compliance with applicable environmental laws and regulations. These policies and practices complement the REIT's environmental operating policy for property acquisition diligence outlined in its Declaration of Trust. See section 4.1 *"Risk Factors Related to the Real Estate Industry and Business of the REIT – Environmental Matters"*.

2.13 Financing of the Business

CT REIT funds its growth through a combination of sources including cash from operations, its Bank Credit Facility, its Bridge Facility with CTC, the assumption of mortgage debt, proceeds from dispositions, and the issuances of equity and/or debt to CTC and the public, as appropriate.

3. GENERAL DEVELOPMENT OF THE BUSINESS

General

CT REIT was formed in October 2013 to own, develop and lease income-producing commercial properties located primarily in Canada. The REIT indirectly owns a portfolio of 331 properties across Canada (which includes nine ground leases). The portfolio consists of 319 retail properties, four distribution centres, one mixed-use commercial property and seven development properties. The properties, distribution centres and mixed-use commercial property contain approximately 25.8 million square feet of GLA.

Acquisitions, Intensifications and Developments

As at December 31, 2017, CT REIT has made a total investment of \$1.4 billion in acquisitions, completed developments, intensifications and investments in ongoing developments since the commencement of its operations on October 23, 2013. These investments include 82 acquisitions, 8 completed developments and 46 intensifications.

The following is a summary of the investments made by the REIT in the last three years (January 1, 2015 to December 31, 2017).

2015

In Q1 2015, CT REIT completed the acquisition of a single tenant Canadian Tire store in each of Strathmore, Alberta, Prescott, Ontario and Chambly and Val-d'Or, Quebec, a multi-tenant property anchored by a Canadian Tire store in London, Ontario, and development lands in Martensville, Saskatchewan from CTC. The total cost of the six acquisitions, including transaction costs, was approximately \$66.1 million. The REIT also completed the intensification of an existing Canadian Tire store in each of Dawson Creek and Kamloops, British Columbia and in Edmonton, Alberta. The total cost of the three intensifications was approximately \$9.7 million.

In Q2 2015, CT REIT completed the assignment of a ground lease in Edmonton, Alberta with a newly constructed Canadian Tire store, the acquisition of a single tenant property with a Canadian Tire store in each of Hawkesbury and Wallaceburg, Ontario, Montreal (LaSalle) and Montreal (Pointe-aux-Trembles ("PAT")), Quebec and Yarmouth, Nova Scotia from CTC. The total cost of the six acquisitions, including transaction costs, was approximately \$86.9 million. The REIT also completed the intensification of a Canadian Tire store in each of Peace River and St. Paul, Alberta, Aylmer, Dryden and Kemptville, Ontario, Roberval, Quebec, and Miramichi and Saint John, New Brunswick. The total cost of the eight intensifications was approximately \$3.9 million.

In Q3 2015, CT REIT completed the acquisition of a redevelopment property in Arnprior, Ontario from a third party vendor, development lands in Innisfil, Ontario from CTC, and lands adjoining an existing REIT owned retail property in each of Kelowna, British Columbia and Terrebonne, Quebec from a third party. The total cost of the four acquisitions, including transaction costs, was approximately \$11.9 million. The REIT also completed the construction of two Other CTC Banner stores on an existing REIT property in Swift Current, Saskatchewan and the intensification of an existing Canadian Tire store in Saskatoon, Saskatchewan. The total cost of the two intensifications was approximately \$6.0 million.

In Q4 2015, CT REIT completed the acquisition of a Canadian Tire store in Vaughan, Ontario from CTC and lands adjoining an existing REIT owned retail property in St. Paul, Alberta from a third party. The total cost of the two acquisitions, including transaction costs, was approximately \$25.3 million. The REIT also completed the development of a Canadian Tire store and Other CTC Banner store in High River, Alberta and a Canadian Tire store in Martensville, Saskatchewan. The expansion of an existing Other CTC Banner store and construction of a new Other CTC Banner store on an existing REIT owned property in Selkirk, Manitoba and the construction of two Other CTC Banner stores on an existing REIT owned

property in Waterdown, Ontario were also completed by the REIT. The total cost of the two developments and two intensifications was \$26.2 million.

2016

In Q1 2016, CT REIT completed the acquisition of a Canadian Tire store in each of Hanover, Ontario and Delson, Quebec, a multi-tenant property anchored by a Canadian Tire store in Kitchener, Ontario, and the intensification of an existing Canadian Tire store in Repentigny, Quebec. The total cost of the three acquisitions, including transaction costs, one intensification, together with investments made in ongoing developments, was \$46.9 million.

In Q2 2016, CT REIT completed the acquisition of a Canadian Tire store in each of Squamish, British Columbia, Edson, Alberta, Leamington, Ontario, Alma, Quebec and Rothesay, New Brunswick, an enclosed mall, anchored by a Canadian Tire store, in Winkler, Manitoba, an enclosed mall, anchored by a Canadian Tire store, for redevelopment in Antigonish, Nova Scotia, development lands in Amos, Quebec and Hamilton, Ontario, and the acquisition and leaseback of the Sears Canada Inc. ("Sears") distribution centre, together with seven acres of excess lands for development, in Calgary, Alberta and a CTC 1.4 million square foot distribution centre, under development, together with 81 acres of trailer parking located in the Town of Caledon, Ontario ("Bolton DC"). The REIT also completed the intensifications of existing Canadian Tire stores in Sherwood Park and South Edmonton Common, Alberta and the development of a Canadian Tire store in Innisfil, Ontario. The total cost of the eleven acquisitions, including transaction costs, the intensifications and the development, together with investments made in ongoing developments, was \$442.6 million.

In Q3 2016, CT REIT completed the acquisition of development lands in Elmira, Ontario. The total cost of the acquisition, including transaction costs, was approximately \$1.2 million. CT REIT also made investments in ongoing developments in the amount of \$5.2 million.

In Q4 2016, CT REIT completed the acquisition of an enclosed mall, together with four acres of excess lands for development, in Fort St. John, British Columbia. The total cost of the acquisition, including transaction costs, was approximately \$36.7 million. The REIT also completed the intensification of a Canadian Tire store in each of, Blenheim, Exeter, Hanover and Wallaceburg, Ontario, La Sarre, Quebec and Smithers, British Columbia, the development of a Canadian Tire store in Hamilton, Ontario, and the construction of a new Other CTC Banner store on an existing REIT owned property in Vaudreuil, Quebec; the completion of the construction of the Bolton DC leased to CTC, and the redevelopment of a multi-tenant property, anchored by a Canadian Tire store, in Arnprior, Ontario. The total cost of the seven intensifications, two developments and one redevelopment, together with investments made in ongoing developments, was \$65.0 million.

2017

In Q1 2017, CT REIT completed the acquisition from CTC of one single tenant property with a Canadian Tire store located in Dartmouth, Nova Scotia and three multi-tenant properties which are anchored by existing Canadian Tire stores located in Cambridge, Ontario, Sainte-Agathe-des-Monts, Quebec and Victoria, British Columbia. CT REIT also acquired development lands in New Liskeard, Ontario, incurred its proportionate share of the costs to improve property development rights at Canada Square, and intensified an existing income-producing property in Martensville, Saskatchewan. The total cost of the five acquisitions, one development and one intensification, including transaction costs, together with investments made in ongoing developments, was approximately \$57.4 million.

In Q2 2017, CT REIT completed the acquisition from CTC of two single tenant Canadian Tire stores in Maniwaki, Quebec and Victoria (Langford), British Columbia and a redundant Canadian Tire store from CTC in Calgary, Alberta. CT REIT also acquired, from a third party, a property in Picton, Ontario that is subject to a ground lease with Canadian Tire. The REIT also completed the development of a single tenant Canadian Tire store in Elmira, Ontario and intensifications of existing Canadian Tire stores in Bradford and Marathon, Ontario, Athabasca, Alberta and Edmundston, New Brunswick. The total cost of

the four acquisitions, the one development and four intensifications, including transaction costs, together with investments made in ongoing developments, was approximately \$47.4 million.

In Q3 2017 CT REIT completed the acquisition, from a third party, of an income-producing real estate portfolio. The portfolio consisted of 12 single tenant free standing buildings, occupied by CIBC banking branches, located across Canada. The REIT also acquired development lands in Sherwood Park, Alberta and redundant Canadian Tire stores in Arnprior and Sudbury, Ontario from CTC. The total cost of the 15 property acquisitions, including transaction costs, together with investments made in ongoing developments, was approximately \$49.9 million.

In Q4 2017, CT REIT completed the acquisition, from a third party, of five multi-tenant properties in Hamilton, Orillia and Sudbury, Ontario, Yorkton, Saskatchewan and Oliver, British Columbia. The REIT also completed the acquisition of development land located in Calgary, Alberta and lands adjoining an existing property in Pembroke, Ontario. In addition, the REIT completed the intensification of existing Canadian Tire stores in New Liskeard, Ontario and Quesnel, British Columbia, the intensification of two new CTP gas bars in Arnprior and Bradford, Ontario and the construction of a new Mark's store on an existing Property in Martensville, Saskatchewan. The total cost of the seven acquisitions and five intensifications, including transaction costs, together with investments made in ongoing developments, was approximately \$160.1 million.

During 2017, CT REIT also completed the intensification of four free standing buildings comprised of 9,240 square feet of GLA (excluding the intensification on a ground lease property). The intensifications were of CT REIT's existing retail properties in Winnipeg, Manitoba, High River and Lethbridge, Alberta and Leamington, Ontario. These new retail units are primarily occupied by third party tenants in the quick service restaurant industry.

The following table outlines the status of investments made by the REIT over the last three years (January 1, 2015 to December 31, 2017).

Financial Quarter and Year	Properties Added	Prov.	Investment Type at Date of Acquisition	CTR Store	Mark's	Sport Chek	CTP ⁽¹⁾	CTR Expansion	DC	CRU	TOTAL GLA
Q1 2015	Strathmore	AB	Acquisition	x							39,271
	Prescott	ON	Acquisition	x							37,731
	Chambly	QC	Acquisition	x							51,322
	Val-d'Or	QC	Acquisition	x			x				90,225
	London South	ON	Acquisition	x	x		x				105,075
	Martensville	SK	Development Land								-
	Dawson Creek	BC	Intensification					x			21,487
	Kamloops	BC	Intensification					x			11,132
	Edmonton	AB	Intensification	x							20,464
Q2 2015	South Edmonton Common ⁽²⁾	AB	Acquisition	x							198,027
	Hawkesbury	ON	Acquisition	x							65,848
	Wallaceburg	ON	Acquisition	x							27,852
	Montreal (LaSalle)	QC	Acquisition	x							88,382
	Montreal (PAT)	QC	Acquisition	x			x				78,464
	Yarmouth	NS	Acquisition	x							54,236
	Peace River	AB	Intensification					x			1,452
	St. Paul	AB	Intensification					x			5,436
	Aylmer	ON	Intensification					x			3,132
	Dryden	ON	Intensification					x			2,969

Financial Quarter and Year		Properties Added	Prov.	Investment Type at Date of Acquisition	CTR Store	Mark's	Sport Chek	CTP ⁽¹⁾	CTR Expansion	DC	CRU	TOTAL GLA
Q2	2015	Kemptville	ON	Intensification					x			5,030
		Roberval	QC	Intensification					x			3,003
		Miramichi	NB	Intensification					x			5,173
		Saint. John	NB	Intensification					x			3,699
Q3	2015	Arnprior	ON	Acquisition								_(3)
		Innisfil	ON	Development Land								-
		Kelowna	BC	Adjoining Land								-
		Terrebonne	QC	Adjoining Land								-
		Swift Current	SK	Intensification		x	x					22,504
		Saskatoon	SK	Intensification					x			5,953
Q4	2015	Vaughan	ON	Acquisition	x			x				89,954
		St. Paul	AB	Adjoining Land								-
		High River	AB	Development	x	x						54,142
		Martensville	SK	Development	x							48,611
		Selkirk	MB	Intensification		x	x					16,626
		Waterdown	ON	Intensification		x	x					22,000
Q1	2016	Delson	QC	Acquisition	x							81,530
		Hanover	ON	Acquisition	x			x				33,907
		Kitchener	ON	Acquisition	x						x	126,519
		Repentigny	QC	Intensification					x			4,390
Q2	2016	Calgary - DC	AB	Acquisition						x		655,291
		Antigonish	NS	Acquisition								_(4)
		Winkler	MB	Acquisition	x	x		x			x	181,957
		Alma	QC	Acquisition	x							43,871
		Leamington	ON	Acquisition	x							54,224
		Rothsay	NB	Acquisition	x			x				38,837
		Squamish	BC	Acquisition	x							35,099
		Edson	AB	Acquisition	x			x				39,481
		Bolton	ON	Acquisition								-
		Innisfil	ON	Development	x							48,618
		Amos	QC	Development Land								-
		Hamilton (Rymal)	ON	Development Land								-
		South Edmonton Common ⁽¹⁾	AB	Intensification	x			x				-
		Sherwood Park	AB	Intensification	x							4,075
Q3	2016	Elmira	ON	Development Land								-
Q4	2016	Fort St. John (Totem Mall)	BC	Acquisition		x					x	198,310
		Vaudreuil	QC	Intensification		x						12,239
		Arnprior	ON	Re-development	x	x					x	133,817
		Hamilton (Rymal)	ON	Development	x							60,827
		Blenhiem	ON	Intensification					x			2,561
		Exeter	ON	Intensification					x			2,489

Financial Quarter and Year		Properties Added	Prov.	Investment Type at Date of Acquisition	CTR Store	Mark's	Sport Chek	CTP ⁽¹⁾	CTR Expansion	DC	CRU	TOTAL GLA
Q4	2016	Hanover	ON	Intensification					x			9,412
		La Sarre	QC	Intensification					x			3,821
		Wallaceburg	ON	Intensification					x			3,115
		Smithers	BC	Intensification	x							3,730
		Bolton	ON	Development						x		1,400,000
Q1	2017	Martensville	SK	Intensification							x	10,380
		New Liskeard	ON	Adjoining Land								-
		Cambridge	ON	Acquisition	x						x	90,862
		Sainte-Agathe-des-Monts	QC	Acquisition	x	x					x	77,541
		Victoria (View Royal)	BC	Acquisition	x						x	49,707
		Dartmouth	NS	Acquisition	x							62,565
Q2	2017	Bradford	ON	Intensification					x			14,539
		Athabasca	AB	Intensification					x			7,249
		Picton ⁽⁶⁾	ON	Acquisition								-
		Calgary	AB	Redundant Vend-in								-
		Edmundston	NB	Intensification					x			2,885
		Marathon	ON	Intensification					x			3,770
		Maniwaki	QC	Acquisition	x							27,131
		Elmira	ON	Development	x							34,784
		Victoria (Langford)	BC	Acquisition	x							67,687
Q3	2017	Banff ⁽²⁾	AB	Acquisition							x	13,507
		Edmonton	AB	Acquisition							x	8,053
		Edmonton	AB	Acquisition							x	6,038
		Edmonton	AB	Acquisition							x	6,601
		Calgary	AB	Acquisition							x	5,857
		Grande Prairie	AB	Acquisition							x	13,358
		Westmount	QC	Acquisition							x	3,764
		Montreal	QC	Acquisition							x	5,460
		Saint-Lambert	QC	Acquisition							x	3,805
		St Jean Sur Richelieu	QC	Acquisition							x	10,367
		Halifax	NS	Acquisition							x	8,001
		Halifax	NS	Acquisition							x	4,642
		Sudbury	ON	Redundant Vend-in				x				-
		Arnprior	ON	Redundant Vend-in				x				-
		Sherwood Park	AB	Development Land								-
Q4	2017	Pembroke	ON	Adjoining Land	x							-
		Sudbury	ON	Acquisition	x						x	147,885
		Hamilton	ON	Acquisition	x						x	126,252
		Orillia	ON	Acquisition	x						x	_(6)
		Yorkton	SK	Acquisition	x						x	264,045
		Oliver	BC	Acquisition	x	x					x	73,052

Financial Quarter and Year	Properties Added	Prov.	Investment Type at Date of Acquisition	CTR Store	Mark's	Sport Chek	CTP ⁽¹⁾	CTR Expansion	DC	CRU	TOTAL GLA
Q4 2017	Calgary	AB	Development Land								-
	Quesnel	BC	Intensification					x			2,500
	Arnprior ⁽²⁾	ON	Intensification				x				-
	Bradford ⁽²⁾	ON	Intensification				x				-
	New Liskeard	ON	Intensification					x			17,584
	Leamington ⁽²⁾	ON	Intensification							x	-
	Lethbridge	AB	Intensification							x	2,700
	Winnipeg Kenaston	MB	Intensification							x	4,130
	Martensville	SK	Intensification							x	8,000
	High River	AB	Intensification							x	2,410
	TOTAL										5,544,431

Notes:

- (1) Land lease of a portion of owned property for a single purpose building, GLA not included in total.
- (2) Ground lease.
- (3) GLA at acquisition date was 114,022.
- (4) GLA at acquisition date was 179,000.
- (5) Acquisition of an income-producing property subject to a ground lease.
- (6) GLA at acquisition date was 317,654.

In addition, in Q1 2018, the REIT expects to complete the acquisition of two additional investment properties from a third party.

Distribution Centres: 11 and 25 Dufferin Place SE, Calgary

In 2016, the REIT completed a sale and leaseback transaction with Sears for its distribution centre in Calgary, which included a 625,000 square foot distribution centre located at 25 Dufferin Place SE, Calgary ("25 Dufferin Place SE") and a 30,000 square foot ancillary building located at 5500 Dufferin Boulevard SE, Calgary ("5500 Dufferin Boulevard SE") (the "Sears Lease"). On June 22, 2017, Sears obtained creditor protection under the *Companies' Creditors Arrangement Act* (Canada). In October 2017, the court extended Sears' creditor protection until April 27, 2018 and approved the liquidation of the Sears business. In early December 2017, Sears confirmed in writing that it would not be seeking to assign the Sears Lease to a third party, and on January 4, 2018, the REIT received a notice to disclaim the Sears Lease effective as of February 3, 2018.

In December 2017, CT REIT entered into a 10-year lease with CTC for 25 Dufferin Place SE commencing May 1, 2018. CTC currently leases 11 Dufferin Place SE, Calgary ("11 Dufferin Place SE"), a 201,000 square foot building, next to 25 Dufferin Place SE, from the REIT. As a condition of CTC entering into the new lease for 25 Dufferin Place SE, CTC required that the lease for 11 Dufferin Place SE, be terminated. As a result, 11 Dufferin Place SE will be available for lease. In February 2018, CT REIT entered into an offer to lease with a third party for 5500 Dufferin Boulevard SE.

Development Activities

As at December 31, 2017, the REIT had the following Properties Under Development:

Property	Prov.	Investment Type	Committed to Lease	Not Committed to Lease	Total	Anticipated Date of Completion
La Sarre ⁽¹⁾	QC	Intensification	-	-	-	Q1 2018
Listowel	ON	Intensification	20,000	-	20,000	Q1 2018
Amos	QC	Development	49,000	24,000	73,000	Q1 2018

Property	Prov.	Investment Type	Committed to Lease	Not Committed to Lease	Total	Anticipated Date of Completion
Antigonish	NS	Redevelopment	150,500	28,500	179,000	Q2 2018
Sudbury	ON	Redevelopment	82,800	-	82,800	Q3 2018
High River	AB	Intensification	-	5,900	5,900	Q3 2018
Martensville	SK	Intensification	-	4,800	4,800	Q3 2018
Bradford	ON	Intensification ¹	-	-	-	Q3 2018
Hamilton Rymal	ON	Intensification ¹	-	-	-	Q4 2018
Arnprior	ON	Intensification	-	18,000	18,000	Q4 2018
Toronto (Leslie Lakeshore)	ON	Intensification	20,000	-	20,000	Q4 2018
Sherwood Park North	AB	Development	93,000	20,000	113,000	Q4 2018
Calgary	AB	Redevelopment	47,000	-	47,000	Q1 2019
Orillia	ON	Redevelopment	193,000	125,000	318,000	Q4 2020
Calgary	AB	Development	TBD	TBD	TBD	TBD
Canada Square	ON	Redevelopment	TBD	TBD	TBD	TBD
Total			655,300	226,200	881,500	

Note:

(1) Ground lease.

Financing

Shelf Prospectus

On March 5, 2015, CT REIT filed with Canadian securities regulatory authorities a short form base shelf prospectus (the “2015 Base Shelf Prospectus”) under which it may sell up to \$1.5 billion of debt and equity securities, including the sale of CT REIT Units by CTC, for a period of 25 months from the date of the 2015 Base Shelf Prospectus.

On June 1, 2015, CT REIT filed with Canadian securities regulatory authorities a prospectus supplement (the “2015 Prospectus Supplement”) to the 2015 Base Shelf Prospectus for the issuance of \$150 million 2.852% Series A Senior Unsecured Debentures (“Series A Debentures”) having a maturity date of June 9, 2022 and \$200 million 3.527% Series B Senior Unsecured Debentures (“Series B Debentures”) having a maturity date of June 9, 2025. See section 8 of the AIF *“Indebtedness and Class C LP Units – Debentures”* for details.

On May 16, 2016, CT REIT filed with Canadian securities regulatory authorities a prospectus supplement (the “2016 Prospectus Supplement”) to the 2015 Base Shelf Prospectus for the issuance of \$150 million 2.159% Series C Senior Unsecured Debentures (“Series C Debentures”) having a maturity date of June 1, 2021 and \$200 million 3.289% Series D Senior Unsecured Debentures (“Series D Debentures”) having a maturity date of June 1, 2026. See section 8 of the AIF *“Indebtedness and Class C LP Units – Debentures”* for details.

On April 5, 2017, CT REIT filed with the Canadian securities regulatory authorities a short form base shelf prospectus (the “2017 Base Shelf Prospectus”) under which it may sell up to \$2 billion of debt and equity securities, including the sale of CT REIT Units by CTC, for a period of 25 months from the date of the 2017 Base Shelf Prospectus.

On June 13, 2017, CT REIT filed with Canadian securities regulatory authorities a prospectus supplement (the “2017 Prospectus Supplement”) to the 2017 Base Shelf Prospectus for the issuance of \$175 million

3.469% Series E Senior Unsecured Debentures (“Series E Debentures”) having a maturity date of June 16, 2027. See section 8 of the AIF *“Indebtedness and Class C LP Units – Debentures”* for details.

On January 24, 2018, CT REIT filed with Canadian securities regulatory authorities a prospectus supplement (the “2018 Prospectus Supplement”) to the 2017 Base Shelf Prospectus for the issuance of \$200 million aggregate principal amount of Series F Senior Unsecured Debentures (“Series F Debentures”), which have a coupon rate of 3.865% and were priced at a yield to maturity of 3.866%. The Series F Debentures have a maturity date of December 7, 2027. See section 8 of the AIF *“Indebtedness and Class C LP Units – Debentures”* for details.

The 2015 Base Shelf Prospectus, the 2015 Prospectus Supplement, the 2016 Prospectus Supplement, the 2017 Base Shelf Prospectus, the 2017 Prospectus Supplement and the 2018 Prospectus Supplement are all available on SEDAR at www.sedar.com and at www.ctreit.com.

Bank Credit Facility

On October 22, 2013, the REIT, through the Partnership, entered into the Bank Credit Facility for general business purposes, including property acquisitions and development, capital expenditures and the refinancing of other Indebtedness. The Bank Credit Facility bears interest at a rate based on the bank’s prime rate or bankers’ acceptance plus a margin. A stand-by fee is charged on the Bank Credit Facility.

In April 2016, the Bank Credit Facility was increased from \$200 million to \$300 million and in September 2017, the term of the Bank Credit Facility was extended to September 2022.

As at December 31, 2017, the REIT had \$53.9 million of cash advances drawn under its Bank Credit Facility. From time to time letters of credit are issued under the Bank Credit Facility for a fee.

As at February 12, 2018, the REIT had no cash advances drawn under its Bank Credit Facility.

Bridge Facility

On December 14, 2017, the REIT, through the Partnership, entered into a loan agreement with CTC for an amount of up to \$150 million and for a term of up to one year for the sole purpose of acquiring a portfolio of certain investment properties from a third party (the “Bridge Facility”). As at December 31, 2017, the REIT had drawn \$126.0 million on its Bridge Facility.

As at February 12, 2018, the REIT had no cash advances drawn under its Bridge Facility.

Debentures

On June 9, 2015, CT REIT completed the issuance of: (i) \$150 million aggregate principal amount of Series A Debentures; and (ii) \$200 million aggregate principal amount of Series B Debentures. The net proceeds of the Series A Debentures and the Series B Debentures were indirectly used to repay certain indebtedness owing to CTC that was incurred in connection with the redemption by the Partnership of the Series 1 Class C LP Units owned by CTC, to pay down certain amounts then outstanding under the Bank Credit Facility, with the balance of the proceeds retained for general business purposes.

On May 31, 2016, CT REIT completed the issuance of: (i) \$150 million aggregate principal amount of Series C Debentures; and (ii) \$200 million aggregate principal amount of Series D Debentures. The net proceeds of the Series C Debentures and the Series D Debentures were used to pay down certain amounts then outstanding under the Bank Credit Facility, with the balance of the proceeds retained for general business purposes.

On June 16, 2017, CT REIT completed the issuance of \$175 million aggregate principal amount of Series E Debentures. The net proceeds of the Series E Debentures were used to pay down certain amounts

then outstanding under the Bank Credit Facility, with the balance of the proceeds retained for general business purposes.

On February 7, 2018, CT REIT completed the issuance of \$200 million aggregate principal amount of Series F Debentures. The net proceeds of the Series F Debentures were used to pay down certain amounts then outstanding under the Bridge Facility and the Bank Credit Facility, with the balance of the proceeds retained for general business purposes.

4. RISK FACTORS

The REIT faces a variety of significant and diverse risks, many of which are inherent in the business conducted by the REIT and the tenants of its Properties.

Described below are certain risks that could materially adversely affect the REIT. Other risks and uncertainties that the REIT does not presently consider to be material, or of which the REIT is not presently aware, may become important factors that affect the REIT's future financial condition and results of operations. The occurrence of any of the risks discussed below could materially and adversely affect the business, prospects, financial condition, and results of operations or cash flow of the REIT.

CT REIT has an enterprise risk management ("ERM") program and internal controls for the monitoring and management of risks.

The REIT's risk mitigation strategies employ various practices including policies, controls, processes, management activities, contractual arrangements, acceptance, avoidance, and insurance to assist with reducing the nature, exposure and impact of risks on the organization.

4.1 Risk Factors Related to the Real Estate Industry and the Business of the REIT

Current and Future Economic Environment

Continued concerns about the uncertainty over whether the economy will be adversely affected by inflation, deflation or stagflation, and the systemic impact of unemployment, volatile energy costs, geopolitical issues and the availability and cost of credit may contribute to increased market volatility and weakened business and consumer confidence. A difficult operating environment and its effects could materially adversely affect the REIT's ability to generate revenues, thereby reducing its operating income and earnings. It could also have a material adverse effect on the ability of the REIT's operators to maintain occupancy rates at the Properties, which could harm the REIT's financial condition. Under such economic conditions, the REIT's tenants may be unable to meet their rental payments and other obligations due to the REIT, which could have a material adverse effect on the REIT. National and global economic environments may also affect the REIT's ability to obtain debt or equity on favourable terms or at all.

Economic Stability of Local Markets

Some of the Properties are located in regions where the economy is dominated by a small number of industries with only a few major participants. The economic stability and development of these local markets would be negatively affected if such major industry participants failed to maintain a significant presence in such markets. An economic downturn in these markets may adversely affect revenues derived by tenants of the REIT from their businesses and their ability to pay rent to the REIT in accordance with their leases. An enduring economic decline in a local market may affect the ability of the REIT to: (i) lease space in its Properties located in the affected market; (ii) renew existing leases at current rates; and (iii) derive income from the Properties located in such market, each of which could

adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution to Unitholders.

Geographic Concentration

The Properties are all located in Canada, the majority of which are located in Ontario, Quebec and Western Canada. Currently, on a committed basis, Ontario contains 44.9% of annualized base minimum rent (42.3% of the Properties' GLA), Quebec contains 20.5% of annualized base minimum rent (24.1% of the Properties' GLA), and Western Canada contains 27.8% of annualized base minimum rent (25.5% of the Properties' GLA). As a result, the REIT's performance, the market value of the Properties and the income generated by the REIT are particularly sensitive to changes in the economic condition and regulatory environment of Ontario, Quebec and Western Canada. Adverse changes in the economic condition or regulatory environment of Ontario, Quebec and Western Canada may have a material adverse effect on the REIT's business, cash flows, financial condition and results of operations and its ability to make distributions to Unitholders.

Real Property Ownership and Tenant Risks

Real estate ownership is generally subject to numerous factors and risks, including changes in general economic conditions, local economic conditions, local real estate conditions, the attractiveness of properties to potential tenants or purchasers, competition with other landlords with similar available space, and the ability of the owner to provide adequate maintenance at competitive costs.

There is no assurance that the operations of the REIT will be profitable or that cash from operations will be available to make distributions to Unitholders. Real estate, like many other types of long term investments, experiences significant fluctuation in value and, as a result, specific market conditions may result in temporary or permanent reductions in the value of the Properties. The marketability and value of the Properties will depend on many factors, including: (i) changes in general economic conditions (such as the availability, terms and cost of financing and other types of credit); (ii) local economic conditions (such as business layoffs, industry slowdowns, changing demographics and other factors); (iii) local real estate conditions (such as an oversupply of properties or a reduction in demand for real estate in the area); (iv) changes in occupancy rates; (v) the attractiveness of properties to potential tenants or purchasers; (vi) competition with other landlords with similar available space; (vii) the ability of the REIT to provide adequate maintenance and capital expenditures at competitive costs; (viii) the promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety; (ix) the financial condition of borrowers and of tenants, buyers and sellers of property; (x) changes in real estate tax rates and other operating expenses; (xi) the imposition of rent controls; (xii) various uninsured or uninsurable risks; (xiii) the impact of new technologies on the real estate market and property management sector; and (xiv) natural and man-made disasters. The rights of first offer and refusal provided under the Canadian Tire store leases, the Gas Bar Leases and ROFO Agreement may affect or restrict the marketability or value of the Properties. There can be no assurance of profitable operations because the costs of operating the portfolio, including debt service, may exceed gross rental income therefrom, particularly since certain expenses related to real estate, such as property taxes, utility costs, maintenance costs and insurance, tend to increase even if there is a decrease in the REIT's income from such investments.

The Properties generate income through rent payments made by tenants, and particularly rent payments made by CTC as the REIT's most significant tenant. While CTC has held investment grade credit ratings for over 20 years, there is no assurance that it will maintain such ratings or that its financial position will not change over time. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced for a number of reasons. Furthermore, the terms of any subsequent lease may be less favourable than the existing lease, including the addition of restrictive covenants. In addition, historical occupancy rates and rents are not necessarily an accurate prediction of future occupancy rates and rents for the Properties. The REIT's cash flows and financial position would be materially adversely affected if its tenants (and especially CTC) were to become unable to meet their obligations under their leases or if a significant amount of available space in the Properties was not able to be leased on

economically favourable lease terms. In the event of default by a tenant, the REIT may experience delays or limitations in enforcing its rights as lessor and incur substantial costs in protecting its investment. In addition, restrictive covenants which may be registered on title, and the terms of the Canadian Tire Leases may narrow the field of potential tenants at a property and could contribute to difficulties in leasing space to new tenants. Furthermore, at any time, a tenant may seek the protection of bankruptcy, insolvency or similar laws which could result in the rejection and termination of the lease of the tenant and thereby cause a reduction in the REIT's cash flows, financial condition or results of operations and its ability to make distributions to Unitholders. Additionally, the REIT may rely on third party providers, joint-ventures, and co-owners, to administer, manage, and provide on behalf of the REIT, various services necessary for the management and operations of its Properties. Inefficient, ineffective or incomplete arrangements, contracts, policies, or procedures or the inability of the third party providers, joint-ventures, co-owners to fulfill their obligations, could impact the REIT's operations and or financial performance.

The distribution centres represent approximately 9.5% of the REIT's annualized base minimum rent. In the event that the leases for the distribution centres are not renewed following the initial term, or any subsequent extension term, the size, location and nature of the distribution centres may limit the extent to which, or the terms on which, the REIT is able to re-lease the distribution centres to another party. No assurance can be given that the REIT will be able to quickly re-lease space vacated by a tenant at a distribution centre on favourable terms, if at all. The REIT's inability to quickly re-lease space vacated by a tenant at a distribution centre on similar terms, or at all, could cause a reduction in the REIT's cash flows, financial condition or results of operations and its ability to make distributions to Unitholders.

Asset Class Diversification

The REIT's investments are not widely diversified by asset class. A substantial number of the REIT's investments, are in retail properties. A lack of asset class diversification increases risk because retail properties are subject to their own set of risks, such as vacancies, changes in retail trends and formats, technology and population shifts.

Competition

The REIT competes with other investors, managers and owners of properties in seeking tenants and for the purchase and development of desirable real estate properties. Some of the properties of the REIT's competitors may be newer or better located than the Properties. Certain of these competitors may have greater financial and other resources and greater operating flexibility than the REIT. Additionally, changing consumer preferences toward e-commerce, online retailing and the introduction of new technologies in the retail sector may affect the attractiveness of the products and services offered by the REIT's tenants. An increase in the availability of funds for investment or an increase in interest in real estate property investments may increase the competition for real estate property investments, thereby increasing purchase prices and reducing the yield on them. See also section 4.2 "*Risk Factors Related to the REIT's Relationship with CTC – Competitive Tenant Restrictions under the Lease*".

Redemptions of Class C LP Units

The Class C LP Units are subject to redemption rights, including those of the holder. Pursuant to the Limited Partnership Agreement, the Class C LP Units may be redeemed upon payment of an amount equal to \$1,000 per Class C LP Unit, together with all accrued and unpaid distributions up to but excluding the date fixed for redemption. Alternately, the Partnership may elect to settle any such redemption payment, in whole or in part, with Class B LP Units which are economically equivalent to and exchangeable for Units, from time to time and the interests of Unitholders may be diluted thereby. The number of Class B LP Units to be issued on the applicable redemption date will be determined based on the 20-day volume-weighted average price of the Units as of the end of the trading day prior to redemption. In addition, the Partnership's ability to incur debt or issue equity in order to finance the redemption of Class C LP Units for cash is subject to CTC's prior written consent (in its sole and absolute discretion). See section 6 "*Partnership – Class C LP Units*" for more information on the Class C LP Units.

Tenant Concentration

CTC has guaranteed all of its leases except Canadian Tire store leases acquired from third parties and the leases with the Other CTC Banner stores. The REIT's revenues are dependent on the ability of CTC to meet its rent obligations and the REIT's ability to collect rent from CTC. If CTC were to fail to renew its tenancies, default on or cease to satisfy its payment obligations, it would have a material adverse effect on the REIT's financial condition, results of operations and its ability to make distributions to Unitholders.

Development Risk

To the extent that the REIT engages in development, redevelopment or major renovation activities with respect to certain properties, it is subject to certain risks, including: (i) the availability and pricing of financing on satisfactory terms or at all; (ii) the availability and timely receipt of zoning and other regulatory approvals; (iii) the ability to achieve an acceptable level of occupancy upon completion; (iv) the potential that the REIT may fail to recover expenses already incurred if it abandons redevelopment opportunities after commencing to explore them; (v) the potential that the REIT may expend funds on and devote management time to projects which it does not complete; (vi) construction or redevelopment costs of a project, including certain financial or other obligations to CTC under the Development Agreement, may exceed original estimates, possibly making the project less profitable than originally estimated, or unprofitable; (vii) the time required to complete the construction or redevelopment of a project or to lease the completed project may be greater than originally anticipated, thereby adversely affecting the REIT's cash flow and liquidity; (viii) the cost and timely completion of construction (including risks beyond the REIT's control, such as weather, labour conditions or material shortages); (ix) contractor and subcontractor disputes, strikes, labour disputes or supply disruptions; (x) delays with respect to obtaining, or the inability to obtain, necessary zoning, occupancy, land use and other governmental permits, and changes in zoning and land use laws; (xi) occupancy rates and rents of a completed project may not be sufficient to make the project profitable; and (xii) the availability and pricing of financing to fund the REIT's development activities on favourable terms or at all.

The above risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent the initiation of redevelopment activities or the completion of redevelopment activities once undertaken. In addition, redevelopment projects entail risks that investments may not perform in accordance with expectations and can carry an increased risk of litigation (and its attendant risks) with contractors, subcontractors, suppliers, partners and others. Any of these risks could have an adverse effect on the REIT's financial condition, results of operations, cash flow, the trading price of the Units, distributions to Unitholders and ability to satisfy the REIT's principal and interest obligations.

Property Development and Redevelopment Risks

As the Canadian Tire Leases cover the entirety of each Property owned by the REIT where CTC is the sole tenant of such Property, and given the long-term nature of the Canadian Tire Leases, the REIT may not be able to capitalize on redevelopment or intensification opportunities at some of its Properties, given certain consent and priority rights of CTC. See section 9 "*Arrangements with CTC*".

Acquisitions and Associated Undisclosed Defects and Obligations

The REIT's business plan contemplates, among other things, growth through identifying suitable acquisition opportunities, pursuing such opportunities, consummating acquisitions and leasing properties. The REIT acquires and may dispose of properties in accordance with its growth strategy. If the REIT is unable to manage its growth effectively, it could materially adversely impact the REIT's financial position and results of operation and decrease or eliminate the amount of cash available for distribution to Unitholders. There can be no assurance as to the pace of growth through property acquisitions or that the REIT will be able to acquire assets on an accretive basis and, as such, there can be no assurance that distributions to Unitholders will be maintained or increased in the future.

Properties, including the existing Properties, may be subject to unknown, unexpected or undisclosed liabilities, and these circumstances could lead to additional costs and could have a material adverse effect on rental income of the relevant properties or the sale prices of such properties upon their disposition.

The REIT's ability to acquire properties on satisfactory terms and successfully integrate and operate them is subject to the following additional risks: (i) the REIT may be unable to acquire desired properties because of: (a) constraints imposed by the terms of the Declaration of Trust, the Canadian Tire Leases, the ROFO Agreement and the Development Agreement, and the constraints related to the exercise by CTC of its rights under such agreements or constraints related to other third party agreements or conflicts in the scope of such agreements; and (b) competition from other real estate investors with more capital, including other real estate operating companies, REITs and investment funds; (ii) the REIT may acquire properties that are not accretive to its results upon acquisition, and the REIT may not successfully manage and lease those properties to meet its expectations; (iii) competition from other potential acquirers may significantly increase the purchase price of a desired property; (iv) the REIT may be unable to generate sufficient cash from operations, or obtain the necessary debt or equity financing to consummate an acquisition or, if obtainable, financing may not be on satisfactory terms; (v) the REIT may need to spend more than budgeted amounts to make necessary improvements or renovations to acquired properties; (vi) agreements for the acquisition of properties are typically subject to customary conditions to closing, including satisfactory completion of due diligence investigations, and the REIT may spend significant time and money on potential acquisitions that the REIT does not consummate; (vii) the process of acquiring or pursuing the acquisition of a new property may divert the attention of the REIT's senior management team from existing business operations; (viii) the REIT may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of properties, into existing operations; (ix) market conditions may result in higher than expected vacancy rates and lower than expected rental rates; and (x) the REIT may acquire properties without any recourse, or with only limited recourse, for liabilities, whether known or unknown, such as clean-up of environmental contamination, claims by tenants, vendors or other persons against the former owners of the properties and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties. In addition, the REIT's ability to undertake any material acquisition, disposition, or development is restricted under the Declaration of Trust and requires the prior written consent of CTC in its sole and absolute discretion.

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

Capital Expenditures and Fixed Costs

While existing Canadian Tire store leases are triple net, there can be no assurances that other leases assumed or entered into will be on similar terms. Certain significant expenditures, including, as applicable, property taxes, ground rent, maintenance costs, capital repairs, debt service payments, insurance costs and related charges, must be made throughout the period of ownership of real property, regardless of whether the property is producing any income. This may include expenditures to fulfill mandatory requirements. In order to retain desirable rentable space and to generate adequate revenue over the long term, the REIT must maintain or, in some cases, improve each property's condition to meet market demand. Maintaining a rental property in accordance with market standards can entail significant costs, which the REIT may not be able to recover from its tenants. In addition, property tax reassessments based on updated appraised values may occur, which the REIT may not be able to recover from its tenants. As a result, the REIT will bear the economic cost of such operating costs and/or taxes which may adversely impact the REIT's financial condition and results from operations and decrease the amount of cash available for distribution to Unitholders. Numerous factors, including the age of the relevant building, the materials used at the time of construction or currently unknown building code violations could result in substantial unbudgeted costs for refurbishment or modernization. In addition, the timing and amount of capital expenditures may indirectly affect the amount of cash available for

distribution to Unitholders. Distributions may be reduced, or even eliminated, at times when the REIT deems it necessary to make significant capital or other expenditures.

If the actual costs of maintaining or upgrading a property exceed the REIT's estimates, or if hidden defects are discovered during maintenance or upgrading which are not covered by insurance or contractual warranties, or if the REIT is not permitted to increase rents due to legal or other constraints, the REIT will incur additional and unexpected costs. If competing properties of a similar type are built in the area where one of the REIT's properties is located or similar properties located in the vicinity of one of the REIT's properties are substantially refurbished, the net operating income derived from, and the value of, the REIT's property could be reduced. Any failure by the REIT to undertake appropriate maintenance and refurbishment work in response to the factors described above could materially adversely affect the rental income that the REIT earns from such properties. Any such event could have a material adverse effect on the REIT's cash flows, financial condition or results of operations and its ability to make distributions to Unitholders.

Reliance on Key Personnel

The management and governance of the REIT depends on the Services of certain key personnel, including certain executive officers and the Trustees. The REIT relies on CTC to supply necessary Services to operate the REIT, including in respect of financial reporting and controls. See section 9.4 *"Commercial Agreements with CTC – Services Agreement"* for a description of the Services. Failure to receive these Services, or the requirement to replace the service provider in a short period of time, could have a material adverse effect on the REIT. External pressures and/or ineffective internal human resource practices can negatively impact the REIT's ability to attract and retain adequately skilled people who have the expertise to support the achievement of the REIT's strategic objective. See also section 4.2 *Risk Factors Related to the REIT's Relationship with CTC – Risks Associated with the Services Agreement and Property Management Agreement*.

Operational Risk

Operational risk is the risk that a direct or indirect loss may result from inadequate or failed operations, systems, and processes in terms of design, integration, and/or execution to support the REIT's key business objectives. The impact of this loss may be financial loss, loss of reputation or legal and regulatory proceedings. Management endeavours to minimize losses in this area by ensuring that effective infrastructure and controls exist and, in certain circumstances, by obtaining insurance coverage.

Reliance on the Partnership

The REIT is dependent on the business of the Partnership. The cash distributions made to Unitholders are dependent on the ability of the Partnership to make distributions in respect of the limited partnership units of the Partnership. The ability of the Partnership to make distributions or make other payments or advances to the REIT depends on the Partnership's results of operations and may be restricted by, among other things, applicable tax and other laws and regulations and may be subject to contractual restrictions contained in any instruments governing the Indebtedness of the Partnership, any priority distribution contained in the Limited Partnership Agreement and any other agreements governing the Partnership. If the Partnership is unable to make distributions or other payments or advances to the REIT, such failure could have a material adverse effect on the REIT's financial condition or results of operations and its ability to make distributions to Unitholders.

Litigation Risks

In the normal course of the REIT's operations, whether directly or indirectly, it may become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relating to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future

proceedings cannot be predicted with certainty and may be determined in a manner adverse to the REIT and, as a result, could have a material adverse effect on the REIT's assets, liabilities, business, financial condition and results of operations. Even if the REIT prevails in any such legal proceeding, the proceedings could be costly which could have a material adverse effect on the REIT's cash flows, financial condition or results of operations and its ability to make distributions to Unitholders.

General Insured and Uninsured Risks

The REIT carries, directly or indirectly, general liability, umbrella liability and/or excess liability insurance with limits which are typically obtained for similar real estate portfolios and otherwise acceptable to the Board. For property risks, the REIT carries, directly or indirectly, "All Risks" property insurance, which includes but is not limited to, fire, flood, earthquake and loss of rental income insurance (with a 12 month indemnity period). The REIT also carries, directly or indirectly, boiler and machinery insurance covering certain losses and expenses resulting from the accidental breakdown of boilers, pressure vessels, HVAC systems, mechanical and electrical equipment. There are, however, certain types of risks (generally of a catastrophic nature, such as from war or nuclear accident) which are uninsurable under any insurance policy. Furthermore, there are other risks that the REIT has determined are not economically viable to insure against, such as acts of terrorism.

Certain catastrophic events can make it more difficult and expensive to obtain and maintain property and casualty insurance, including earthquake, windstorm and flood risks. The REIT currently has insurance for these risks, subject to certain policy limits and deductibles.

The REIT bears all losses that are not adequately covered by insurance, as well as any insurance deductibles. Although the REIT believes that its insurance programs are adequate, and it expects to regularly assess the adequacy of its coverage, assurance cannot be provided that the REIT will not incur losses in excess of insurance coverage or that insurance can be obtained in the future at acceptable levels and reasonable cost.

Disasters

Future natural and man-made disasters may materially adversely affect the REIT's operations and properties and, more specifically, may cause the REIT to experience reduced rental revenue (including from increased vacancy), incur clean-up costs or otherwise incur costs in connection with such events. Any of these events may have a material adverse effect on the REIT's business, cash flows, financial condition and results of operations and its ability to make distributions to Unitholders. While the REIT has insurance, either directly or indirectly through certain of its tenants, to cover a substantial portion of the cost of natural disasters, such insurance includes customary deductible amounts and certain items may not be covered by insurance.

Potential Conflicts of Interest

The Trustees will, from time to time, in their individual capacities, deal with parties with whom the REIT may be dealing, or may be seeking investments similar to those desired by the REIT. The interests of these persons could conflict with those of the REIT. Pursuant to the Declaration of Trust, all decisions to be made by the Board which involve the REIT are required to be made in accordance with the Trustee's duties and obligations to act honestly and in good faith with a view to the best interests of the REIT and the Unitholders. In addition, the Declaration of Trust contains provisions requiring the Trustees to disclose their interests in certain contracts and transactions and to refrain from voting on those matters. There can be no assurance that the provisions of the Declaration of Trust will adequately address potential conflicts of interest or that such actual or potential conflicts of interest will be resolved in favour of the REIT.

Return on Investment and Cash Distributions are Not Guaranteed

There can be no assurance regarding the amount of income to be generated by the Properties. The ability of the REIT to make cash distributions, and the actual amount distributed, is entirely dependent on the operations and assets of the REIT, and is subject to various factors, including financial performance, obligations under the Bank Credit Facility, the Bridge Facility and other outstanding debt (including in respect of the Debentures), fluctuations in working capital, the sustainability of income derived from the tenants of the Properties and any capital expenditure requirements. The Units are equity securities of the REIT and are not traditional fixed income securities. Unlike fixed income securities, there is no obligation of the REIT to distribute to Unitholders any fixed amount and there is no promise to return the initial purchase price of a Unit on a certain date in the future, and reductions in, or suspensions of, cash distributions may occur at any time that would reduce the yield of a Unit. The market value of the Units will deteriorate if the REIT is unable to meet its distribution and AFFO targets in the future, and that deterioration may be significant. In addition, the composition of cash distributions for tax purposes may change over time and may affect the after-tax return for investors. Therefore, the rate of return over a defined period for a Unitholder may not be comparable to the rate of return on a fixed income security that provides a “return on capital” over the same period.

Nature of Investment

The Units represent a fractional interest in the REIT and do not represent a direct investment in the REIT's assets and should not be viewed by investors as direct securities of the REIT's assets. A holder of a Unit of the REIT does not hold a share of a body corporate. As holders of Units of the REIT, the Unitholders will not have statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions. The rights of Unitholders are primarily derived from the Declaration of Trust. There is no statute governing the affairs of the REIT equivalent to the *Business Corporations Act* (Ontario) or the CBCA which sets out certain statutory rights and entitlements of shareholders of corporations in various circumstances. As well, the REIT may not be a recognized entity under certain existing insolvency legislation such as the *Bankruptcy and Insolvency Act* (Canada) and the *Companies' Creditors Arrangement Act* (Canada), and thus the treatment of Unitholders upon an insolvency of the REIT would be dependent on the provisions of the Declaration of Trust as a contractual right to Unitholders.

Dilution

The number of Units (including Class B LP Units, issuable by the Partnership, which are exchangeable for Units on a one-for-one basis) that the REIT is authorized to issue is unlimited. The issuance of additional Units or Class B LP Units, from time to time, (including pursuant to any employee incentive compensation plan, if applicable) may dilute the interests of Unitholders.

Structural Subordination of Units and Debentures

Liabilities of a parent entity with assets held by various Subsidiaries may result in the structural subordination of the lenders to the parent entity. The parent entity is entitled only to the residual equity of its Subsidiaries after all debt obligations of its Subsidiaries are discharged. In the event of a bankruptcy, liquidation or reorganization of the Partnership, holders of its Indebtedness and its trade creditors will generally be entitled to payment of their claims from the assets of the Partnership before any assets are made available for distribution to the REIT or Unitholders. The Units and any debt incurred by the REIT (including the Debentures), unless agreed otherwise, will be effectively subordinated to the debt and other obligations of the Partnership and other subsidiaries of the REIT. The Partnership generates all of the REIT's cash available to make interest and principal payments on the Debentures and for distribution to Unitholders and, holds substantially all of the REIT's assets. In order to have sufficient funds to make interest and principal payments on the Debentures, or to make distributions to Unitholders, the REIT will principally rely on distributions from the Partnership on the Class A LP Units and the Class D LP Units held by the REIT, which are equity securities and rank *pari passu* with the Class C LP Units and other payments. See section 8 “*Indebtedness and Class C LP Units*”.

Statutory Remedies for holders of Debentures

As the REIT may not be a recognized entity under certain existing insolvency legislation such as the *Bankruptcy and Insolvency Act* (Canada), *Companies' Creditors Arrangement Act* (Canada), or the *Winding Up and Restructuring Act* (Canada), in the event of a restructuring, a holder of Debentures may be in a different position than a holder of secured indebtedness of a corporation.

Unitholder Liability

The Declaration of Trust provides that no Unitholder will be subject to any liability whatsoever to any person in connection with the holding of a Unit. In addition, legislation has been enacted in the province of Ontario and certain other provinces and territories of Canada that is intended to provide Unitholders in those provinces and territories with limited liability. However, there remains a risk, which is considered by the REIT to be remote in the circumstances, that a Unitholder could be held personally liable for the obligations of the REIT to the extent that claims are not satisfied out of the assets of the REIT. It is intended that the affairs of the REIT will be conducted to minimize such risk wherever possible.

Tax-Related Risk Factors

Mutual Fund Trust Status – The Tax Act contains restrictions on investments and income which must be complied with by closed-end trusts. Generally, in order to qualify as a “closed-end” mutual fund trust, the REIT must restrict its activities to the making of passive investments (such as the ownership of Canadian real property that is capital property) and must satisfy all of the following conditions:

- (i) at all times, at least 80% of the REIT's assets must consist of shares (or rights to acquire shares), cash, bonds, debentures, mortgages, notes or other similar obligations, marketable securities or Canadian real estate;
- (ii) not less than 95% of the REIT's income (computed without regard to any distributions) for each taxation year must be derived from, or from the disposition of, investments described in (i);
- (iii) not more than 10% of the REIT's assets at any time may consist of shares, bonds or securities of any one corporation or debtor; and
- (iv) all Units of the REIT must be listed on a designated stock exchange in Canada.

Management of the REIT ensures that the REIT satisfies the conditions to qualify as a closed-end mutual fund trust by complying with the restrictions in the Tax Act as they are interpreted and applied by the CRA. No assurance can be given that the REIT will be able to comply with these restrictions at all times. If the REIT were not to qualify as a mutual fund trust for purposes of the Tax Act, the consequences could be material and adverse. There can be no assurance that the Canadian federal income tax laws respecting mutual fund trusts, or the ways in which these rules are interpreted and applied by the CRA, will not be changed in a manner which adversely affects the REIT and/or its Unitholders.

Under current law, a trust may lose its status under the Tax Act as a mutual fund trust if it can reasonably be considered that the trust was established or is maintained primarily for the benefit of Non-Residents, except in limited circumstances. Accordingly, the Declaration of Trust provides that Non-Residents may not be the beneficial owners of more than 49% of the Units (determined on a basic or a fully-diluted basis). The Trustees will also have various powers that can be used for the purpose of monitoring and controlling the extent of Non-Resident ownership of the Units.

The restriction on the issuance of Units by the REIT to Non-Residents may adversely affect the REIT's ability to raise financing for future acquisitions or operations. In addition, the Non-Resident ownership restriction could adversely impact the liquidity of the Units and the market price at which Units can be sold.

REIT Exception – Unless the REIT Exception applies to the REIT, the SIFT Rules may have an adverse impact on the taxation of the REIT and on the taxation of distributions to Unitholders. Management believes that the REIT presently meets the requirements of the REIT Exception; however, there can be no assurance that the REIT will be able to qualify for the REIT Exception such that the REIT and the Unitholders will not be subject to the SIFT Rules in 2018 or in future years.

Should the REIT cease to qualify under the REIT Exception for a taxation year, the REIT would be subject to the SIFT Rules which could have a materially adverse impact on the level of cash distributions declared by the REIT and the taxation of such distributions to Unitholders. In particular, non-deductible distribution amounts could be taxable to the REIT (with the result that the amount of cash available for distribution by the REIT would be reduced which could negatively impact the value of a Unit and would also be included in the income of Unitholders for purposes of the Tax Act as taxable dividends). The REIT Exception is applied on a taxation year basis. Accordingly, even if the REIT does not qualify for the REIT Exception in a particular taxation year, it may be able to do so in a subsequent taxation year.

In the event that the SIFT Rules apply to the REIT, the impact to Unitholders will depend on the status of the holder and, in part, on the amount of income distributed which would not be deductible by the REIT in computing its income in a particular year and what portions of the REIT's distributions constitute "non-portfolio earnings", other income and returns of capital.

Tax Basis of the Properties – Certain properties were and continue to be acquired by the Partnership on a tax deferred basis, such that the tax cost of these properties was less than their fair market value. If one or more of such properties are disposed of in the future, the gain realized by the Partnership for tax purposes will be in excess of that which it would have realized if it had acquired the properties at a tax cost equal to their fair market values. For the purpose of claiming capital cost allowance, the undepreciated capital cost of such properties acquired by the Partnership from CTC was equal to the amounts jointly elected by the Partnership and CTC on the tax-deferred acquisition of such properties. The undepreciated capital cost of such properties was less than the fair market value of such properties. As a result, the capital cost allowance that the Partnership may claim in respect of such properties is less than it would have been if such properties had been acquired with a tax cost basis equal to their fair values.

Change in Law – There can be no assurance that income tax laws applicable to the REIT, including the treatment of real estate investment trusts and mutual fund trusts under the Tax Act, will not be changed in a manner which adversely affects the REIT or the Unitholders. Any such changes could have a negative effect on the value of the Units.

Regulation

The REIT is subject to laws and regulations governing the REIT ownership and leasing of real property, employment standards, environmental matters, taxes and other matters. It is possible that future changes in applicable federal, provincial, territorial, state, municipal, local or common laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting the REIT (including with retroactive effect). Any changes in the laws to which the REIT is subject could materially adversely affect the rights and title to the Properties. It is impossible to predict whether there will be any future changes in the regulatory regimes to which the REIT will be subject or the effect of any such change on its investments.

Environmental Matters

As an owner of real property in Canada, the REIT is subject to various Canadian federal, provincial, territorial and municipal laws relating to environmental matters. In the event that the REIT acquires properties in the United States, it will also be subject to various U.S. federal and state and municipal environmental laws, as applicable. Such laws provide that the REIT, its officers and Trustees could be, or become, liable for environmental harm, damage or costs, including with respect to the release of hazardous or other regulated substances into the environment, and the removal or other remediation of

hazardous or other regulated substances that may be present at or under its Properties. Further, liability may be incurred by the REIT with respect to the release of such substances from or to the Properties. These laws often impose liability regardless of whether the property owner knew of, or was responsible for, the presence of such substances. Additional liability may be incurred by the REIT with respect to the improper use, disposal or storage of such substances or the release of such substances from the Properties to properties owned by third parties, including properties adjacent to the Properties or with respect to the exposure of persons to such substances. These laws also govern the maintenance and removal of materials containing asbestos and also govern emissions of, and exposure to, asbestos fibres in the air. Some of the Properties contain or might contain materials containing asbestos. The costs of investigation, removal and remediation of such substances or properties, if any, may be substantial and could materially adversely affect the REIT's financial condition and results of operations. The presence of contamination or the failure to remediate contamination may also materially adversely affect the REIT's ability to sell such property, realize the full value of such property or borrow using such property as collateral security, and could potentially result in significant claims against the REIT by public or private parties.

The Properties may contain contamination, hazardous or other regulated substances and/or other residual pollution and environmental risks. Buildings and their fixtures might contain asbestos or other hazardous or regulated substances above the allowable or recommended thresholds, or other environmental risks could be associated with the buildings. Subject to the terms of its leases, the REIT might bear the risk of cost-intensive assessment, remediation or removal of such contamination, hazardous or other regulated substances or other residual pollution. The discovery of any such contamination or residual pollution on the sites and/or in the buildings, particularly in connection with the lease or sale of properties or borrowing using the real estate as security, could trigger claims for rent reductions or termination of leases for cause, for damages and other breach of warranty claims against the REIT. The remediation of any contamination and the related additional measures the REIT would have to undertake could have a materially adverse effect on the REIT and could involve considerable additional costs. The REIT will also be exposed to the risk that recourse against the polluter or the previous owners of the properties might not be possible. Moreover, the existence or even the mere suspicion of the existence of contamination, hazardous or other regulated substances or other residual pollution or the use of a property for an environmentally sensitive business (such as the sale of gasoline and related products) can materially adversely affect the value of a property and the REIT's ability to lease or sell such property.

Some of the Properties have, or have had, tenants that would or currently use, hazardous or other regulated substances. For example, automotive service centres, gas bars and propane tank centres are currently located, or have been located in the past, at the Properties. Currently, most of the Properties (excluding the distribution centres and mixed-use commercial property) have automotive service centres, and 99 of the Properties have gas bars. The environmental risks with automotive service centres, gas bars and propane tank centres are primarily associated with the handling of gasoline, oil, lubricants, propane and other fluids required for the maintenance of automobiles.

The REIT's operating policies require the REIT to obtain or be entitled to rely on a recent (dated no earlier than 24 months prior to receipt by the REIT), Phase I environmental site assessment conducted by an independent and experienced environmental consultant prior to acquiring a property. The risk of relying on a Phase I environmental site assessment that is not current is that such assessment may not disclose more recent areas or events of concern.

Certain Canadian Tire Leases include an indemnity by CTC in favour of the REIT for any environmental issues caused by the tenant, its Associate Dealers, sublessees, licensees, servants, agents, employees, suppliers and invitees or by any person permitted to be on the premises by the tenant or any person for whom the Tenant is in law responsible and existing prior to the sale of a property by CTC to the Partnership (subject to environmental site condition reports, if any), and for any failure by CTC or any other person for whom CTC is responsible (or regarding a property under the care and control of CTC pursuant to its lease) to comply with environmental laws.

At the expiry of a Canadian Tire Lease, if required by law or if the REIT so requests, CTC is required under its lease to remediate any contamination on the property caused by the tenant, its Associate Dealers, sublessees, licensees, servants, agents, employees, suppliers and invitees or by any person permitted to be on the premises by the tenant or any person for whom the tenant is in law responsible to the standard then applicable to commercial properties (subject to environmental site condition reports, if any). The REIT may not be able to successfully enforce an indemnity contained in the Canadian Tire Leases against CTC or such indemnity may not be sufficient to fully indemnify the REIT from third party claims or remediation costs that the REIT otherwise undertakes.

The REIT has limited environmental liability coverage under its general liability insurance policy for third party bodily injury and property damage claims arising from unexpected and unintentional pollution incidents (commonly referred to as "sudden and accidental" coverage) that are discovered and reported quickly. It also has more extensive coverage under a separate environmental liability insurance policy which adds coverage for certain gradual pollution conditions and first party clean-up costs.

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

Financial Reporting and Other Public Company Requirements

The REIT is subject to reporting and other obligations under applicable Canadian securities laws and rules of the stock exchange on which the Units are listed, including National Instrument 52-109 — *Certification of Disclosure in Issuers' Annual and Interim Filings*. These reporting and other obligations place significant demands on the REIT's management, administrative, operational and accounting resources, including those provided pursuant to the Services Agreement. The REIT is partially reliant on CTC, pursuant to the Services Agreement, for certain financial reporting and internal control functions. Any failure of the REIT, or its service provider, to maintain effective internal controls could cause the REIT to fail to meet its reporting obligations or result in material misstatements in its financial statements. If the REIT cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially harmed which could also cause investors to lose confidence in the REIT's reported financial information, which could result in a reduction in the trading price of the Units. However, the REIT's disclosure controls and procedures and internal controls over financial reporting cannot prevent all error and all fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met.

4.2 Risk Factors Related to the REIT's Relationship with CTC

Significant Ownership by CTC

As at December 31, 2017, CTC holds an approximate 85.5% effective interest in the REIT on a fully-diluted basis through ownership of 59,711,094 Units and all of the Class B LP Units, where each Class B LP Unit is attached to a Special Voting Unit of the REIT, providing for voting rights in the REIT. CTC also holds all of the non-voting Class C LP Units which, in limited circumstances, have voting rights pursuant to Special Voting Units issuable by the REIT to holders of Class C LP Units in certain limited circumstances. As a Unitholder, CTC does not have a duty to act in the best interest of the REIT. In situations where the interest of CTC and the REIT are in conflict, CTC may utilize its ownership interest

in, and contractual rights with, the REIT to further CTC's own interest which may not be the same as the REIT's interests in all cases.

The Partnership has issued Class C LP Units, which are designed to provide CTC with an interest in the Partnership that entitles CTC to cumulative distributions, in priority to distributions to holders of the Class A LP Units, Class B LP Units and the GP Unit, subject to certain exceptions. The Class C LP Units rank *pari passu* with the Class D LP Units issued to CT REIT. The weighted average annual distribution rate on the Class C LP Units during the Initial Fixed Rate Period is 4.70% with distributions on a monthly basis.

In addition, the Declaration of Trust provides CTC with the exclusive right to nominate to the Board between one and four Trustees depending on the size of the Board and CTC's effective interest in the REIT, on a fully-diluted basis. Currently, the REIT has seven Trustees and CTC has the right to nominate three Trustees.

For so long as CTC directly or indirectly holds a majority of the Voting Units, the REIT may not undertake, without the prior written consent of CTC (in its sole and absolute discretion): (i) any material acquisition, disposition or development; (ii) subject to the CT Re-Financing Obligations, any financings (debt or equity), re-financings or similar transactions; (iii) any direct or indirect granting of security over any assets of the REIT or any related entity; or (iv) the replacement of the Chief Executive Officer of the REIT. For example, this precludes the REIT from engaging in mortgage financing without the prior written consent of CTC (in its sole and absolute discretion).

In addition, pursuant to the ROFO Agreement, the REIT has granted CTC a right of first refusal on a Change of Control (a "Change of Control ROFR"). The Change of Control ROFR provides that if a Competitor acquires more than 50% of the Units, on a fully-diluted basis, at a time when the properties of the REIT leased by CTC represent at least 50% of the GLA of all of the properties of the REIT, then CTC will have the right to acquire such properties leased by it at fair market value, which may have a significant, adverse effect on Unitholders, including any acquirer of the REIT. Both the Change of Control ROFR, CTC's significant effective interest in the REIT and certain restrictions set out in the Declaration of Trust may effectively preclude or substantially discourage transactions involving a Change of Control of the REIT, including transactions in which an investor, as a holder of the Units, might otherwise receive a premium for its Units over the then-current market price. See also section 9.4 "*Arrangements with CTC – Commercial Agreements with CTC – ROFO Agreement*".

Pursuant to the Exchange Agreement, each Class B LP Unit is exchangeable at the option of the holder for one Unit of the REIT (subject to customary anti-dilution adjustments). If CTC exchanges some or all of its Class B LP Units for Units and subsequently sells such Units in the public market, the market price of the Units may decrease. Moreover, the perception in the public market that these sales will occur could also produce such an effect.

There can be no assurance that the credit ratings assigned to CTC will remain in effect for any given period of time or that the ratings will not be lowered, withdrawn or revised by DBRS or S&P at any time. The likelihood that CTC's creditors will receive payments owing to them will depend on CTC's financial health and creditworthiness. As discussed above, the REIT's revenues are dependent on the ability of CTC to meet its rent obligations under the Canadian Tire Leases. If CTC were to default on or cease to satisfy its payment obligations, it would have a material adverse effect on the REIT's financial condition or results of operations and its ability to make distributions to Unitholders. Credit ratings assigned by a rating agency provide an opinion of that rating agency on the risk that an issuer will fail to satisfy its financial obligations in a timely manner and in accordance with the terms under which an obligation has been issued. A credit rating provides no guarantee of CTC's future creditworthiness.

Potential Conflicts of Interest with CTC

CTC is not limited or restricted from owning, acquiring, constructing, developing or redeveloping properties required by CTC to operate its business, and, subject to the Non-Competition and Non-

Solicitation Agreement, may itself in certain limited situations compete with the REIT in seeking tenants and for the purchase, development and operation of desirable commercial properties. While CTC is required in certain circumstances, subject to the terms and conditions of the ROFO Agreement and the Development Agreement, to provide the REIT with certain opportunities, including rights to acquire or participate in the development of properties, those circumstances are not comprehensive. In addition, there can be no assurance that the REIT will be able to access such opportunities or that CTC will exercise its consent rights over acquisitions and financings to allow the REIT to access such opportunities. As a result, CTC may compete with the REIT in seeking tenants for, and in the development and operation of, properties.

CTC's continuing businesses may lead to other conflicts of interest between CTC and the REIT. The REIT may not be able to resolve any such conflicts and, even if it does, the resolution may be less favourable to the REIT than if it were dealing with a party that was not a holder of a significant interest in the REIT. The agreements that the REIT has entered into with CTC may be amended upon agreement between the parties, subject to applicable law and approval of the Independent Trustees. Because of CTC's significant holdings in the REIT, the REIT may not have the leverage to negotiate any required amendments to these agreements on terms as favourable to the REIT as those the REIT could secure with a party that was not a significant effective Unitholder.

Under the Canadian Tire Leases, the REIT has granted alteration and expansion rights in favour of CTC that will have priority over the REIT's development rights to the extent of any conflict between such rights. As a result, the REIT may not be able to develop its properties in a way that is most favourable to the REIT, which could materially and adversely affect the REIT's cash flows, operating results and financial condition and its ability to make distributions to Unitholders.

CTC Competition Risk

The Non-Competition and Non-Solicitation Agreement does not prevent CTC from acquiring or developing its own stores and properties, provided that if more than 20% of the GLA of the property is rented to non-CTC Banner tenants, CTC must offer the REIT the opportunity to participate. Thus CTC could compete with the REIT for Canadian Tire stores upon expiry of Canadian Tire store leases and for other tenants generally. The vast majority of properties acquired or developed by CTC to date contain less than 20% of the GLA leased to non-CTC Banner tenants. The Non-Competition and Non-Solicitation Agreement does not prevent CTC from redeveloping any properties for its use or other uses. See section 9.4 "*Arrangements with CTC – Commercial Agreements with CTC – Non-Competition and Non-Solicitation Agreement*" for more information on the Non-Competition and Non-Solicitation Agreement.

Right of First Offer and Right of First Refusal

To the extent that CTC assigns a Canadian Tire Lease to certain assignees, the Canadian Tire Leases provide that the term of the Lease ROFO and the Lease ROFR will be the later of 10 years from the end of the first post assignment extension term and CTC ceasing to hold a majority interest in the REIT. As a result, the REIT could be required to comply with the terms of the Lease ROFO and/or the Lease ROFR, as applicable, notwithstanding the fact that CTC has assigned such lease. See section 9.4 "*Arrangements with CTC – Commercial Agreements with CTC – ROFO Agreement*" for more information on the ROFO Agreement.

Restrictive Covenants

To the extent that CTC assigns a Canadian Tire Lease, the Canadian Tire Leases provide that the REIT remains obligated to CTC to comply with certain restrictive covenants under the terms of such lease in favour of CTC until the end of such assigned lease term and for 10 years thereafter. Depending on the term of such lease and including any renewals, the period during which CTC no longer remains liable under such lease, but where the REIT continues to remain bound by the terms of such restrictive covenants in favour of CTC, may be significant.

Inhibitions of Take-Over Bids

The right of CTC to purchase all of the properties leased to CTC by the REIT in the event that a Competitor acquires more than 50% of the Units of the REIT (at a time when the fair market value of the properties leased to CTC exceeds 50% of the total assets of the REIT on GLA basis) will inhibit take-over bids even if CTC ceases to retain a direct or indirect material ownership interest in the REIT as the right to purchase assets of the REIT may have significant adverse tax consequences to the acquirer and the remaining Unitholders of the REIT.

Sale and Other Disposition Restrictions under the Canadian Tire Leases

Pursuant to the Canadian Tire Leases, the REIT granted CTC a ROFO and a ROFR. The ROFO provides that if the REIT wishes to sell, enter into a lease or otherwise dispose of a property, all or part of which is leased or was leased to CTC, then the REIT shall first provide an offer to CTC setting out the price and material terms and conditions of the proposed disposition or lease. The existence of such rights and the time period provided to CTC to exercise such rights may impair the marketability and value of the properties owned by the REIT and its ability to attract tenants other than CTC. In addition to the ROFO, the ROFR provides that if the REIT has received a *bona fide* offer from a Competitor to purchase, lease or otherwise acquire a property, all or part of which is leased or was leased to CTC, the REIT shall provide such offer to CTC and CTC shall have the right to match such offer.

In the event that the REIT desires to sell a property, the existence of the ROFO and, in certain circumstances, the ROFR as well as restrictions on use under the Canadian Tire Leases in favour of CTC could limit the number of purchasers of such property, make it more difficult to sell such property and/or decrease the potential purchase price that could be obtained for such property, which, in turn, could have a material adverse effect on the REIT.

Competitive Tenant Restrictions under the Lease

The REIT is subject to significant restrictions with respect to tenants in retail businesses that are competitive to those of the existing CTC business for a period ending on the later of: (i) 10 years after the term of such leases; and (ii) when CTC ceases to hold, directly or indirectly, a majority of the Voting Units. The REIT is not able to enter into leases with such prospective tenants without the consent of CTC, which may be withheld in CTC's absolute discretion. The REIT may be limited in achieving higher rents or longer term leases with tenants other than CTC owing to these restrictions. The REIT may also be limited in achieving higher rents or longer term leases with tenants other than CTC owing to the operation of the ROFO to lease in favour of CTC. As well, the rights of first offer and refusal in favour of CTC over the sale, lease or other disposition of the REIT's properties may impede the ability of the REIT to dispose of its properties or affect the price that the REIT may attain therefor, particularly if CTC has not renewed or otherwise terminated the Canadian Tire Lease in respect of such property. In any case, these restrictions may result in the inability of the REIT to access otherwise viable commercial lease opportunities and have a material adverse effect on the REIT's business, cash flows, financial conditions and results of operations and its ability to make distributions to Unitholders.

Indemnities

The Acquisition Agreement contains representations and warranties typical of those contained in acquisition agreements negotiated between sophisticated purchasers and vendors acting at arm's length, certain of which are qualified as to knowledge and materiality and subject to reasonable exceptions, relating to CTC (as vendor), the Partnership and the Initial Properties. Similar representations and warranties are contained in purchase agreements that the REIT, through the Partnership, has entered into with CTC subsequent to the Initial Public Offering. There can be no assurance that the REIT will be fully protected in the event of a breach of such representations and warranties or that CTC will be in a position to satisfy a successful claim by the REIT in the event any such breach occurs. In addition, there are certain indemnities with respect to environmental issues provided to the REIT by CTC pursuant to certain Canadian Tire Leases. For more information, see section 4.1 "*Risk Factors Related to the Real Estate Industry and the Business of the REIT – Environmental Matters*".

Risks Associated with Services Agreement and Property Management Agreement

The REIT relies on CTC with respect to the provision of certain Services under both the Services Agreement and the Property Management Agreement. This means that certain of the REIT's day-to-day operational and property management matters is dependent upon CTC's ability to successfully hire, train, supervise and manage its personnel and its ability to maintain its operating systems. If the REIT were to lose the Services provided by CTC, if CTC fails to perform its obligations under the Services Agreement and Property Management Agreement, or the scope of Services offered under the Services Agreement and/or the Property Management Agreement are inadequate, the REIT may experience a material adverse impact on its business operations. The REIT may be unable to duplicate the quality and depth of the Services available to it by handling such services internally or by retaining another service provider.

Both the Services Agreement and the Property Management Agreement are automatically renewable but may be terminated in certain circumstances. Accordingly, there can be no assurance that the REIT will continue to have the benefit of CTC's Services pursuant to such agreements. If CTC should cease for whatever reason to provide such Services, the cost of obtaining substitute services will likely be greater than the cost-recovery fee basis that the REIT pays CTC under the Services Agreement and Property Management Agreement, and this may materially adversely affect the REIT's ability to meet its objectives and execute its strategy which could materially and adversely affect the REIT's cash flows, operating results and financial condition and its ability to make distributions to Unitholders. Even if CTC continues providing Services under the Services Agreement and the Property Management Agreement, costs may increase materially after the expiry of the initial term. See section 9.4 "*Arrangements with CTC – Commercial Agreements with CTC – Services Agreement and – Property Management Agreement*".

Acquisition of Future Properties from CTC

The REIT's ability to expand its asset base through acquisitions from CTC is affected by the REIT's ability to leverage its relationship with CTC to access opportunities to acquire additional properties that satisfy the REIT's investment criteria, all in accordance with the ROFO Agreement and the Development Agreement. There can be no assurance that the REIT will be able to access such opportunities and acquire additional properties or do so on terms that will result in an increase to the REIT's AFFO per Unit. In addition, there can be no assurance that the rights of first offer granted to the REIT by CTC to acquire CTC's interest in certain properties will be exercised or that CTC will elect to dispose of interests in its properties. The inability of the REIT to expand its asset base due to its relationship with CTC may have a material adverse effect on the ability to expand its asset base.

4.3 Risk Factors Related to the Business of the REIT's Key Tenant

The future financial performance and operating results of CTC are subject to inherent risks, uncertainties, and other factors. Some of the factors, many of which are beyond CTC's control and the effects of which can be difficult to predict, include: (i) credit, market, currency, operational, liquidity and funding risks, including changes in economic conditions, interest rates or tax rates; (ii) the ability of CTC to attract and retain high quality employees, Associate Dealers, Canadian Tire Gas+ agents, PartSource, Mark's, and FGL store operators and franchisees, as well as CTC's financial arrangements with such parties; (iii) the growth of certain business categories and market segments and the willingness of customers to shop at Canadian Tire stores or acquire CTC's owned brands, or CTC's financial products and services; (iv) the diminishing of CTC's brand equity if its reputation and brand are negatively affected; (v) CTC's margins and sales and those of its competitors; (vi) the changing consumer preferences toward and expectations related to e-commerce, online retailing, and the introduction of new technologies; (vii) the possible effects on its business from international conflicts, political conditions and developments, including changes relating to or affecting economic or trade matters; (viii) risks and uncertainties relating to information management, technology, cyber threats, property management and development, environmental liabilities, supply chain management, product safety, changes in law, competition, seasonality, weather patterns, commodity prices and business disruption, CTC's relationships with suppliers, manufacturers, partners, and other third parties, changes to existing accounting pronouncements, the risk of damage to

the reputation of brands promoted by CTC and the cost of store network expansion and retrofits; (ix) CTC's capital structure, funding strategy, cost management programs and share price; (x) CTC's ability to achieve its strategic objective and/or address any inaction or ineffective implementation of its strategies; and (xi) CTC's ability to obtain regulatory approvals. The foregoing list of important factors and assumptions is not exhaustive and other factors could also adversely affect CTC's results which, consequently, could materially adversely affect the financial performance of the REIT and its ability to make distributions to Unitholders.

4.4 Financial Risk Factors

In the normal course of business, the REIT is exposed to financial risks of varying degrees of significance which could affect its ability to achieve its strategic objectives, and could materially adversely affect the financial performance of the REIT, its ability to make distributions to Unitholders, and the trading price of the Units.

Management's involvement in operations helps identify risks and variations from expectations. As a part of the overall operation of the REIT, management takes steps to avoid undue concentrations of risk. Various risk management policies support the management of financial risks. These risks, and the actions taken to manage them, are as follows:

Interest Rate Risk

The REIT requires access to financial resources to implement its investment and growth strategy. When concluding financing agreements or extending such agreements, the REIT will depend on its ability to agree on terms that will not impair the REIT's desired AFFO and that do not restrict its ability to make distributions to Unitholders. In addition to the Bank Credit Facility, Bridge Facility and any floating rate term of the Class C LP Units, the REIT may enter into future financing agreements with variable rates. An increase in interest rates could result in a significant increase in the cost incurred by the REIT to service debt or make distributions on Class C LP Units, resulting in a decrease in or the elimination of distributions to Unitholders, which could materially adversely affect the trading price of the Units. In addition, increasing interest rates may put competitive pressure on the levels of distributable income made available to Unitholders, increasing the level of competition for capital requirements of the REIT, which could have a material adverse effect on the trading price of the Units.

The REIT may use interest rate hedges to manage interest rate risk and to provide more certainty regarding income available for distribution to Unitholders, subject to the REIT's investment guidelines. However, to the extent that the REIT fails to adequately manage interest rate risk, its financial results, and its ability to pay distributions to Unitholders and interest payments under the Bank Credit Facility, the Bridge Facility, the Debentures and future financings, the REIT may be materially adversely affected. An increasing interest rate environment generally decreases the demand for real property. Higher interest rates and more stringent borrowing requirements, whether mandated by law or required by lenders, could have a material adverse effect on the REIT's ability to sell any of its Properties.

Financing Risks

The REIT had outstanding debt under its Bank Credit Facility, the Bridge Facility, the Debentures and mortgages payable plus the aggregate par value of the Class C LP Units as at December 31, 2017 of approximately \$2.55 billion. Although a portion of the cash flow generated by the Properties is devoted to servicing such debt and the distributions on the Class C LP Units, there can be no assurance that the REIT will continue to generate sufficient cash flow from operations to meet, as applicable, required distributions, interest payments, principal repayments and redemption amounts upon an applicable maturity date or redemption date. If the REIT is unable to meet distribution, interest, principal payments or redemption amounts, it could be required to seek renegotiation of such payments or obtain additional equity, debt or other financing. The REIT's ability to undertake a financing (equity or debt), re-financing or similar transaction or any direct or indirect granting of security over any assets of the REIT or any related

entity is restricted under the Declaration of Trust and requires the prior written consent of CTC (in its sole and absolute discretion). This would, for example, preclude the REIT from engaging in mortgage financing without the prior written consent of CTC (in its sole and absolute discretion). The failure of the REIT to make or renegotiate interest, principal payments, or redemption amounts, or obtain additional equity, debt or other financing could materially adversely affect the REIT's financial condition and results of operations and decrease or eliminate the amount of cash available for distribution to Unitholders.

The REIT is subject to the risks associated with debt financing, including the risk that any outstanding Indebtedness will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing Indebtedness, which may reduce AFFO. Similarly, the REIT is subject to financing risk on the reset or redemption of Class C LP Units at the expiry of the initial fixed rate period that may be on less favourable terms than on the existing Class C LP Units. If the REIT were to incur variable rate Indebtedness (such as under the Bank Credit Facility or the Bridge Facility) or renew Class C LP Units at variable distribution rates, this will result in fluctuations in the REIT's cost as rates change. To the extent that rates rise, the REIT's operating results and financial condition could be materially adversely affected and decrease the amount of cash available for distribution to Unitholders. No Class C LP Units with variable distribution rates currently exist. The REIT's Debentures also contain covenants that require it to maintain certain financial ratios on a consolidated basis. If the REIT does not maintain such ratios, its ability to make distributions to Unitholders may be limited or suspended.

Access to Capital

The real estate industry is highly capital intensive. The REIT requires access to capital to maintain its Properties, refinance its Indebtedness and Class C LP Units, if necessary, as well as to fund its growth strategy and certain capital expenditures from time to time. There is no assurance that the REIT will otherwise have access to sufficient capital or access to capital on terms favourable to the REIT for future property acquisitions, refinancing Class C LP Units, financing or refinancing of properties, funding operating expenses or other purposes. Further, in certain circumstances, the REIT may not be able to borrow funds due to limitations set forth in the Declaration of Trust, which in certain circumstances includes obtaining CTC's prior written consent for such borrowing. Failure by the REIT to access required capital could have a material adverse effect on the REIT's financial condition or results of operations and its ability to make distributions to Unitholders.

Liquidity

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

Degree of Leverage

The ratio of Indebtedness of the REIT plus the aggregate par value of the Class C LP Units to Gross Book Value is approximately 46.6% as at December 31, 2017. The REIT's degree of leverage could have important consequences to Unitholders, including: (i) making the REIT more vulnerable to a downturn in business or the economy in general; (ii) the REIT's ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, development or other general trust purposes could be diminished; and (iii) reducing the total amount of funds available for distributions to Unitholders. Under the Declaration of Trust, the REIT's total Indebtedness plus the aggregate par value of the Class C LP Units shall not exceed 60% of Gross Book Value (or 65% of Gross Book Value including convertible Indebtedness). Under the Trust Indenture, the REIT's total Indebtedness plus the aggregate par value of the Class C LP Units shall not exceed 65% of Aggregate Adjusted Assets.

5. DECLARATION OF TRUST AND UNITS

5.1 General

CT REIT is an unincorporated, closed-end real estate investment trust established pursuant to the Declaration of Trust under, and governed by, the laws of Ontario. Although the REIT qualifies as a “mutual fund trust” as defined in the Tax Act, the REIT is not a “mutual fund” as defined by applicable securities legislation. The following summary does not purport to be complete with respect to the attributes of the Units and certain provisions of the Declaration of Trust. The following summary is qualified by reference to the terms of the Declaration of Trust, which has been filed with the Canadian securities regulatory authorities and is available on SEDAR at www.sedar.com and on the REIT’s website at www.ctreit.com.

Meetings of Voting Unitholders

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

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

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

Amendments to the Declaration of Trust and Voting on Other Extraordinary Matters

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

- (i) any amendments to the amendment provisions of the Declaration of Trust;
- (ii) any increase or decrease in the size of the Board;
- (iii) an exchange, reclassification or cancellation of all or part of the Units or Special Voting Units;
- (iv) the change or removal of the rights, privileges, restrictions or conditions attached to the Units or Special Voting Units, including, without limitation,
 - (a) the removal or change of rights to distributions;
 - (b) the removal of or change to conversion privileges, redemption privileges, options, voting, transfer or pre-emptive rights; or
 - (c) the reduction or removal of a distribution preference or liquidation preference;

- (v) the creation of new rights or privileges attaching to certain of the Units or Special Voting Units;
- (vi) any change to the existing constraints on the issue, transfer or ownership of the Units or Special Voting Units, except as provided in the Declaration of Trust;
- (vii) the sale of the REIT's property as an entirety or substantially as an entirety (other than as part of an internal reorganization approved by the Trustees);
- (viii) the combination, amalgamation or arrangement of the REIT or any of its Subsidiaries with any other entity that is not the REIT or a Subsidiary of the REIT (other than as part of an internal reorganization as approved by the Trustees);
- (ix) a material change to the Limited Partnership Agreement; and
- (x) certain amendments to the investment guidelines and operating policies of the REIT.

Notwithstanding the foregoing, the Declaration of Trust provides that for so long as CTC directly or indirectly holds a majority of the Voting Units, the REIT may not undertake the following, without the prior written consent of CTC: (i) any material acquisition, disposition, or development; (ii) subject to the CTC Re-Financing Obligations, any financings (debt or equity), re-financings or similar transactions; (iii) any direct or indirect granting of security over any assets of the REIT or any related entity; or (iv) the replacement of the Chief Executive Officer of the REIT.

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

Take-Over Bids

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

Information and Reports

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

Rights of Unitholders

The Declaration of Trust establishes and governs the rights of the Unitholders and the attributes of the Units. Many of the provisions of the CBCA respecting the governance and management of a corporation are incorporated in the Declaration of Trust. However, Unitholders do not have statutory rights of shareholders of a corporation incorporated under the CBCA including, for example, the right to bring "oppression" or "derivative" actions or to exercise "dissent rights". The Declaration of Trust also includes provisions modeled after comparable provisions of the CBCA dealing with the calling and holding of meetings of Voting Unitholders and Trustees, the procedures at such meetings and the right of the Voting Unitholders to participate in the decision making process where certain fundamental actions are proposed to be undertaken.

5.2 Authorized Capital and Outstanding Securities

CT REIT is authorized to issue an unlimited number of Units and Special Voting Units. Special Voting Units are only issued: (i) in tandem with the issuance of Class B LP Units; or (ii) in limited circumstances, to holders of the Class C LP Units. As at February 12, 2018, the REIT had a total of 90,660,003 Units outstanding and 123,092,866 Special Voting Units outstanding.

In addition, Preferred Units may from time to time be created and issued in one or more classes (each of which may be made up of unlimited series) without requiring Voting Unitholder approval. Before the issuance of Preferred Units of a series, the Trustees must execute an amendment to the Declaration of Trust containing a description of such series, including the designations, rights, privileges, restrictions and conditions determined by the Trustees, and the class of Preferred Units of which such series is a part. As at February 12, 2018, the REIT has no Preferred Units outstanding.

Units

Each Unit is transferable and represents an equal, undivided beneficial interest in the REIT and any distributions from the REIT, whether of net income, net realized capital gains or other amounts and, in the event of the termination or winding-up of the REIT, in the net assets of the REIT remaining after satisfaction of all liabilities. All Units rank among themselves equally and ratably without discrimination, preference or priority. Each Unit entitles the holder thereof to receive notice of, to attend and to one vote at all meetings of Voting Unitholders or in respect of any written resolution of Voting Unitholders.

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

Special Voting Units

Special Voting Units are only issued in tandem with Class B LP Units or, in limited circumstances, to holders of Class C LP Units, and are not transferable separately from the Class B LP Units or the Class C LP Units, as the case may be, to which they relate. Upon any valid transfer of Class B LP Units or Class C LP Units, as the case may be, such Special Voting Units will automatically be transferred to the transferee of the Class B LP Units or the Class C LP Units, as the case may be. As Class B LP Units are exchanged for Units or redeemed or purchased for cancellation by the Partnership, the corresponding Special Voting Units will be cancelled for no consideration.

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

Preferred Units

The Trustees may fix from time to time before such issue the number of Preferred Units which is to comprise each class and series and the designation, rights, privileges, restrictions and conditions attaching to each class and series of Preferred Units including any voting rights, the rate or amount of

distributions (which may be cumulative or non-cumulative and variable or fixed) or the method of calculating distributions, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion, if any, any rights on the liquidation, dissolution or winding-up of the REIT, and any sinking fund or other provisions.

The Preferred Units of each class and series will, with respect to the payment of distributions (other than distributions paid solely through the distribution of additional Units) and the distribution of assets of the REIT or return of capital in the event of liquidation, dissolution or winding-up of the REIT, whether voluntary or involuntary, or any other return of capital or distribution of assets of the REIT among the Unitholders for the purpose of winding-up its affairs, be entitled to preference over the units ranking by their terms junior to the Preferred Units. The Preferred Units of any series may also be given other preferences over the units ranking by their terms junior to the Preferred Units, so long as such preferences are not inconsistent with the Declaration of Trust.

Issuance of Units

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

The Trustees may refuse to allow the issuance of or to register the transfer of Units where such issuance or transfer would, in their opinion, adversely affect the treatment of the REIT under applicable Canadian tax laws or their qualification to carry on any relevant business.

Repurchase of Units

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

Limitations on Non-Resident Ownership of Units

In order for the REIT to maintain its status as a "mutual fund trust" under the Tax Act, it must not be established or maintained primarily for the benefit of Non-Residents. Accordingly, at no time may Non-Residents be the beneficial owners of more than 49% of the Units on either a basic or fully-diluted basis and the REIT has informed its transfer agent and registrar of this restriction. The Trustees may require a registered holder of Units to provide them with a declaration as to the jurisdictions in which beneficial

owners of Units registered in such holder's name are resident and as to whether such beneficial owner is Non-Resident (and, in the case of a partnership, whether the partnership is Non-Resident). If the Trustees become aware, as a result of such declarations or other investigations, that the beneficial owners of more than 49% of the Units on either a basic or fully-diluted basis are, or may be, Non-Residents or that such a situation is imminent, the Trustees may make a public announcement thereof and will not accept a subscription for Units from, or issue or register a transfer of Units to, a person unless the person provides a declaration in form and content satisfactory to the Trustees that the person is not a Non-Resident and does not hold such Units for the benefit of Non-Residents. If, notwithstanding the foregoing, the Trustees determine that more than 49% of the Units on either a basic or fully-diluted basis are held by Non-Residents, the Trustees may send or cause to be sent a notice to such Non-Resident Unitholders chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not more than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trustees may on behalf of such persons sell or cause to be sold such Units and, in the interim, will suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders will cease to be holders of the relevant Units and their rights will be limited to receiving the net proceeds of sale upon surrender of the certificates, if any, representing such Units. Notwithstanding the foregoing, the Trustees may determine not to take any of the actions described above if the Trustees have been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the REIT as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the REIT as a mutual fund trust for purposes of the Tax Act.

6. PARTNERSHIP

General

The Partnership is a limited partnership formed under the laws of the Province of Ontario and is governed by the amended and restated limited partnership agreement dated October 23, 2013, as amended by agreement dated December 12, 2013, amongst CT REIT GP Corp. (the "General Partner"), CT REIT, CTREL, Canadian Tire Holdings I Limited Partnership and Canadian Tire Holdings II Limited Partnership and as further amended by agreement dated June 9, 2015, among CT REIT GP Corp., CT REIT, CTREL, Canadian Tire Holdings II Limited Partnership and Canadian Tire Holdings III Limited Partnership, and Canadian Tire Holdings IV Limited Partnership and as may be further amended from time to time (the "Limited Partnership Agreement"). The Partnership beneficially owns, directly or indirectly, through nominee subsidiary corporations, all of the Properties. The General Partner is the general partner of the Partnership. The General Partner is a corporation incorporated under the laws of the Province of Ontario and is wholly-owned by CT REIT. The majority of the directors of the board of the General Partner are not Trustees of the REIT. The following summary does not purport to be complete with respect to the attributes of the Limited Partnership Agreement. The following summary is qualified by reference to the terms of the Limited Partnership Agreement, which has been filed with the Canadian securities regulatory authorities and is available on SEDAR at www.sedar.com.

Partnership Units

The Partnership has outstanding Class A LP Units, all of which are held by the REIT, Class B LP Units, all of which are held by CTC, Class C LP Units, all of which are held by CTC, and Class D LP Units, all of which are held by the REIT. The General Partner has a GP Interest in the Partnership.

As at February 12, 2018, 90,660,003 Class A LP Units were outstanding.

Class B LP Units

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

The following table sets forth the date and number of Class B LP Units issued in 2014, 2015, 2016 and 2017 to CTC and the price at which such units were issued:

Date	Number of Class B LP Units Issued	Price	Amount raised
June 20, 2014	1,737,701	\$11.20	\$19,462,251
February 13, 2015	4,799,539	\$12.92	\$62,010,044
June 17, 2015	3,166,218	\$11.95	\$37,836,305
February 11, 2016	1,968,877	\$13.69	\$26,953,926
May 5, 2016	1,800,380	\$14.51	\$26,123,514
May 31, 2016	13,335,111	\$15.00 ⁽¹⁾⁽²⁾	\$200,000,000
Feb 6, 2017	1,558,537	\$14.67	\$22,863,738
Mar 30, 2017	317,512	\$15.15	\$4,810,307
May 31, 2017	3,167,770	\$14.93 ⁽³⁾	\$47,278,967 ⁽⁴⁾
Jun 15, 2017	1,391,897	\$14.89	\$20,725,346
Aug 9, 2017	289,453	\$14.52	\$4,202,858
Total			\$472,309,760

(1) Class B LP Units were issued on the redemption of Series 2, Class C LP Units on May 31, 2016.

(2) VWAP used on the date of issuance was \$14.998.

(3) VWAP used on the date of issuance was \$14.925.

(4) Class B LP Units were issued on the redemption of Series 10-12, Class C LP Units on May 31, 2017.

As at February 12, 2018, 123,092,866 Class B LP Units were outstanding.

Class C LP Units

The Class C LP Units are designed to provide CTC with an interest in the Partnership that entitle holders, on a *pari passu* basis with the holders of Class D LP Units, to a cumulative, preferential monthly distribution in priority to distributions made to holders of the Class A LP Units, Class B LP Units and the GP Unit, subject to certain exceptions. The Class C LP Units have been issued in series and provide holders of Class C LP Units with a fixed, cumulative, preferential cash distribution, if, as and when declared by the board of directors of the General Partner, for the initial period which commenced on October 23, 2013 and ending for each series on the date set out in the following table (the "Initial Fixed Rate Period"), payable monthly at an annual distribution rate for each series as set out in the following table:

Series of Class C LP Units	Initial Subscription Price (\$000)	Annual Distribution Rate During Initial Fixed Rate Period	Expiry of Initial Fixed Rate Period	% of Total Class C LP Units
Series 3	\$200,000	4.50%	May 31, 2020 (2.4 years)	13.78%
Series 4	\$200,000	4.50%	May 31, 2024 (6.4 years)	13.78%
Series 5	\$200,000	4.50%	May 31, 2028 (10.4 years)	13.78%
Series 6	\$200,000	5.00%	May 31, 2031 (13.4 years)	13.78%
Series 7	\$200,000	5.00%	May 31, 2034 (16.4 years)	13.78%
Series 8	\$200,000	5.00%	May 31, 2035 (17.4 years)	13.78%
Series 9	\$200,000	5.00%	May 31, 2038 (20.4 years)	13.78%
Series 16	\$16,550	2.42%	May 31, 2020 (2.4 Years)	1.14%
Series 17	\$18,500	2.39%	May 31, 2020 (2.4 Years)	1.27%
Series 18	\$4,900	2.28%	May 31, 2020 (2.4 Years)	0.34%
Series 19	\$11,600	2.28%	May 31, 2020 (2.4 Years)	0.79%
Total / Weighted Average⁽¹⁾	\$ 1,451,550	4.70%	12.07 years	100.0%

(1) As at December 31, 2017.

Prior to the completion of the Initial Fixed Rate Period for each series, and each five-year period thereafter, holders of the applicable series of Class C LP Units may elect either a fixed rate or floating rate option for such five-year period, provided that a holder of Class C LP Units may not elect a floating rate option if such election would result in the REIT exceeding the limit on floating rate instruments set out in the Declaration of Trust.

In all cases, the Class C LP Units provide holders with cumulative, preferential cash distributions, if, as and when declared by the board of directors of the General Partner; provided that, for greater certainty, the amount of any such distribution shall be determined in accordance with the terms of each series of Class C LP Units.

On the expiry of the Initial Fixed Rate Period for each series, and every five years thereafter, upon at least 120 days' prior written notice, the Partnership may redeem or a holder may require the Partnership to redeem in whole or in part the then outstanding Class C LP Units of that series, upon payment for each Class C LP Units so redeemed of an amount equal to the par value in cash per Class C LP Unit together with all accrued and unpaid distributions thereon (whether or not declared) up to but excluding the date fixed for redemption (the "Redemption Price").

The Partnership is required to make an offer to the holders of Class C LP Units to redeem for cash all of the outstanding Class C LP Units within 30 days following a Change of Control of the REIT. In such circumstances, the cash redemption price will be an amount equal to the par value of the applicable Class C LP Units. In the event that the Partnership has not paid all applicable accrued and payable distributions on a series of Class C LP Units for 24 months in the aggregate, whether or not consecutive and whether or not such distributions shall have been declared by the board of directors of the General Partner, the holders of such Class C LP Units will be issued 100 Special Voting Units for each such Class C LP Unit held. Immediately following the payment in full of all applicable accrued and payable distributions on such Class C LP Units, all of the corresponding Special Voting Units issued to such holder of Class C LP Units will be cancelled for no consideration.

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

Redemptions

The following series of Class C LP Units have been redeemed by the Partnership: (i) Series 1 of Class C LP Units on June 1, 2015; (ii) Series 2 of Class C LP Units on May 31, 2016; and (iii) Series 10, 11, 12, 13, 14 and 15 of Class C LP Units on May 31, 2017.

As at February 12, 2018, 1,451,550 Class C LP Units were outstanding.

Class D LP Units

The Class D LP Units are designed to provide the REIT with an interest in the Partnership, as holders of the Class D LP Units are entitled, on a *pari passu* basis with holders of the Class C LP Units, to a cumulative, preferential semi-annual distribution in priority to distributions made to holders of the Class A LP Units, Class B LP Units and the GP Unit, subject to certain exceptions. The REIT will principally rely on distributions and other payments from the Partnership on the Class D LP Units held by the REIT to provide sufficient funds to make interest and principal payments on its Debentures. The Class D LP Units are issued in series and provide holders of Class D LP Units with a fixed, cumulative, preferential cash distribution payable semi-annually, in arrears, if, as and when declared by the board of directors of the General Partner for the initial period, which for Series 1 and Series 2 commenced on June 9, 2015, for Series 3 and Series 4 commenced on June 1, 2016, for Series 5 commenced on June 16, 2017 and for Series 6 will commence on June 7, 2018. The following table sets forth, among other things, the Class D LP Units outstanding as at February 12, 2018, the semi-annual payment dates and the respective redemption dates for each series of Class D LP Units.

Series of Class D LP Units	Related Debt Instrument	Initial Subscription Price (\$000)	Annual Distribution Rate of the Related Debt Instrument	Semi-Annual Payment Dates	Redemption (based on maturity date of Related Debt Instrument)
Series 1	Series A Debentures	\$150,000	2.852%	June 9, December 9	June 9, 2022
Series 2	Series B Debentures	\$200,000	3.527%	June 9, December 9	June 9, 2025
Series 3	Series C Debentures	\$150,000	2.159%	June 1, December 1	June 1, 2021
Series 4	Series D Debentures	\$200,000	3.289%	June 1, December 1	June 1, 2026
Series 5	Series E Debentures	\$175,000	3.469%	June 16, December 16	June 16, 2027
Series 6	Series F Debentures	\$200,000	3.865%	June 7, December 7	December 7, 2027

In all cases, the Class D LP Units provide holders with cumulative, preferential cash distributions, if, as and when declared by the board of directors of the General Partner; provided that, for greater certainty, the amount of any such distribution shall be determined in accordance with the terms of each series of Class D LP Units.

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

Additional LP Units

The Partnership may fix from time to time before such issue the number of Additional LP Units which are to comprise each class and series and the designation, rights, privileges, restrictions and conditions attaching to each class and series of Additional LP Units including any voting rights, the rate or amount of distributions (which may be cumulative or non-cumulative and variable or fixed) or the method of

calculating distributions, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion, if any, any rights on the liquidation, dissolution or winding-up of the Partnership, and any sinking fund or other provisions.

The Additional LP Units of each class and series may, with respect to the payment of distributions and the distribution of assets of the Partnership or return of capital in the event of liquidation, dissolution or winding-up of the Partnership, whether voluntary or involuntary, or any other return of capital or distribution of assets of the Partnership among its partners for the purpose of winding-up its affairs, rank in priority to both the Class A LP Units and Class B LP Units equally or any other limited partnership units, but will not rank in priority to the Class C LP Units or Class D LP Units, or any other limited partnership units ranking *pari passu* with or in priority to the Class C LP Units or Class D LP Units without prior approval of the holders of a majority of the holders of such limited partnership units.

Voting

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

Operation

The business and affairs of the Partnership are managed and controlled by the General Partner which is bound by the investment guidelines and operating policies applicable to the REIT and set out in the Declaration of Trust. See section 7 “*Investment Guidelines and Operating Policies*”. The Limited Partners are not entitled to take part in the management or control of the business or affairs of the Partnership. Subject to certain exceptions, the Partnership reimburses the General Partner for all direct costs and expenses incurred by the General Partner in the performance of its duties as the general partner of the Partnership.

The majority of the directors of the board of the General Partner are not Trustees of the REIT.

Duties and Responsibilities of the General Partner

The General Partner manages and controls the operations and affairs of the Partnership and makes all decisions regarding the business and activities of the Partnership.

Distributions

The Partnership distributes to the General Partner and to the holders of its Class A LP Units, Class B LP Units, Class C LP Units and Class D LP Units their respective portions of distributable cash as set out below. Distributions are made forthwith after the General Partner has determined the distributable cash of the Partnership and the amount of all costs and expenses incurred by it in the performance of its duties under the Limited Partnership Agreement as general partner (the “Reimbursement Distribution Amount”), which determination shall be made no later than the 10th day of each calendar month.

Distributable cash represents, in general, all of the Partnership’s cash on hand that is derived from any source (other than certain amounts received in connection with the subscription for additional interests in the Partnership or funds borrowed) and that is determined by the General Partner not to be required in connection with the business of the Partnership. The distributable cash of the Partnership is distributed in the following order and priority: (i) the Reimbursement Distribution Amount to the General Partner; (ii) an amount to the holder of Class A LP Units sufficient to allow the REIT to pay its expenses (including, without limitation, any fees or commissions payable to agents or underwriters in connection with the sale of securities by the REIT, listing fees of applicable stock exchanges and fees of the REIT’s auditors) on a timely basis (the “Class A LP Preferred Distribution”); (iii) on a *pari passu* basis, (a) an amount to the holders of Class C LP Units, on the relevant date, sufficient to satisfy the priority cumulative distribution

thereon (the “Class C LP Preferred Distribution”), and (b) an amount to the holders of Class D LP Units, on the relevant date, sufficient to satisfy the priority cumulative distribution thereon (the “Class D LP Preferred Distribution”); (iv) an amount to the General Partner equal to 0.001% of the balance of the distributable cash of the Partnership; and (v) an amount equal to the remaining balance of the distributable cash of the Partnership to the holders of Class A LP Units and Class B LP Units in accordance with their *pro rata* entitlements as holders of Class A LP Units and Class B LP Units. Holders of Class B LP Units will be entitled to receive distributions on each such unit equal to the amount of the distribution declared by the REIT on each Unit. See also section 10 “Distributions”.

Allocation of Partnership Net Income

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

- (i) first, to the holders of Class A LP Units in an amount equal to its Class A LP Preferred Distribution;
- (ii) second, on a *pari passu* basis, to the holders of each Series of Class C LP Units and each Series of Class D LP Units in an amount equal to its Class C LP Preferred Distribution or Class D LP Preferred Distribution applicable to such Series of Class C LP Units or Class D LP Units;
- (iii) third, to the General Partner in an amount equal to the aggregate of: (a) the Reimbursement Distribution Amount, and (b) the distributions paid on the GP Unit; and
- (iv) the balance, among the holders of Class A LP Units and Class B LP Units based on their proportionate share of distributions received or receivable for such fiscal year.

Transfer of LP Units

The transfer of Class A LP Units, Class B LP Units, Class C LP Units and Class D LP Units is subject to a number of restrictions, including: (i) the Class A LP Units, Class B LP Units, Class C LP Units and Class D LP Units may not be transferred to a transferee who is a Non-Resident; (ii) no fractional Class A LP Units, Class B LP Units, Class C LP Units or Class D LP Units will be transferable; (iii) no transfer of Class B LP Units or Class C LP Units will be accepted by the General Partner if such transfer would cause the Partnership to be liable for tax under subsection 197(2) of the Tax Act; and (iv) no transfer of Class A LP Units, Class B LP Units, Class C LP Units or Class D LP Units will be accepted by the General Partner unless a transfer form, duly completed and signed by the registered holder of such Class A LP Units, Class B LP Units, Class C LP Units, or Class D LP Units, as applicable, has been remitted to the registrar and transfer agent of the Partnership.

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

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

Amendments to the Limited Partnership Agreement

The Limited Partnership Agreement may be amended with the prior consent of the holders of at least two-thirds of the Class A LP Units voted on the amendment at a duly constituted meeting of holders of Class A LP Units or by a written resolution of partners holding at least two-thirds of the Class A LP Units entitled to vote at a duly constituted meeting of holders of Class A LP Units, except for certain amendments which require unanimous approval of holders of limited partnership units, including: (i) changing the liability of any limited partner; (ii) changing the right of a limited partner to vote at any meeting of holders of Class A LP Units; and (iii) changing the Partnership from a limited partnership to a general partnership. The General Partner may also make certain limited amendments to the Limited Partnership Agreement without the approval or consent of the Limited Partners provided that: (i) the amendment does not adversely affect the rights and obligations of the General Partner, as a general partner; and (ii) the amendment does not adversely affect the rights and obligations of any other holders of limited partnership units or any class of limited partner differently than any other class of limited partner.

The Declaration of Trust also provides that the REIT will not agree to or approve any material amendment to the Limited Partnership Agreement without the approval of at least two-thirds of the votes cast at a meeting of the Voting Unitholders of the REIT called for such purpose (or by written resolution in lieu thereof); provided that, for greater certainty, the creation and issuance of one or more new classes and/or series of Additional LP Units shall not constitute a material amendment to the Limited Partnership Agreement.

7. INVESTMENT GUIDELINES AND OPERATING POLICIES

Investment Guidelines

The Declaration of Trust provides certain restrictions on investments that may be made by the REIT. The assets of the REIT may be invested, directly or indirectly, only in accordance with the following restrictions:

- (i) the REIT will focus its activities primarily on the acquisition, holding, developing, maintaining, improving, leasing, managing or otherwise dealing with income producing real property exclusively in Canada and the United States which is primarily commercial or retail in nature and assets ancillary thereto necessary for the operation of such real estate and such other activities as are consistent with the other investment guidelines of the REIT;
- (ii) notwithstanding anything else contained in the Declaration of Trust, the REIT shall not make or hold any investment, take any action or omit to take any action or permit a Subsidiary to make or hold any investment or take any action or omit to take any action that would result in:
 - (a) the REIT not qualifying as a “mutual fund trust” or a “unit trust” both within the meaning of the Tax Act;
 - (b) Units not qualifying as qualified investments for Registered Plans;
 - (c) the REIT not qualifying as a “real estate investment trust” within the meaning of the Tax Act if, as a consequence of the REIT not so qualifying, the REIT or any of its Subsidiaries would be liable to pay a tax imposed under either paragraph 122(1)(b) or subsection 197(2) of the Tax Act; or
 - (d) the REIT being liable to pay a tax under Part XII.2 of the Tax Act;

- (iii) the REIT may, directly or indirectly, make such investments, do all such things and carry out all such activities as are necessary or desirable in connection with the conduct of its activities provided they are not otherwise specifically prohibited by the Declaration of Trust;
- (iv) unless otherwise specifically prohibited by the Declaration of Trust, the REIT may invest in freehold, leasehold, or other interests in property (real, personal, moveable or immovable);
- (v) the REIT will not invest in any interest in a single real property if, after giving effect to the proposed investment, the cost to the REIT of such investment (net of the amount of debt incurred or assumed in connection with such investment) will exceed 20% of Gross Book Value at the time the investment is made;
- (vi) the REIT may make its investments and conduct its activities, directly or indirectly, through an investment in one or more persons on such terms as the Trustees may from time to time determine, including by way of joint ventures, partnerships (general or limited) and limited liability companies;
- (vii) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province or territory of Canada, deposits with a savings institution, trust company, credit union or similar financial institution that is organized or chartered under the laws of a state or of the United States, short-term government debt securities or money market instruments maturing prior to one year from the date of issue and except as permitted pursuant to these investment guidelines and operating policies of the REIT, the REIT may not hold securities of a person other than to the extent such securities would constitute an investment in real property (as determined by the Trustees) and provided further that, notwithstanding anything contained in the Declaration of Trust to the contrary, but in all events subject to paragraph (b) above, the REIT may hold securities of a person: (i) acquired in connection with the carrying on, directly or indirectly, of the REIT's activities or the holding of its assets; or (ii) which focuses its activities primarily on the activities described in paragraph (a) above, provided in the case of any proposed investment or acquisition which would result in the beneficial ownership of more than 20% of the outstanding securities of an issuer (the "Acquired Issuer"), the investment is made for the purpose of subsequently effecting the merger or combination of the business and assets of the REIT and the Acquired Issuer or for otherwise ensuring that the REIT will control the business and operations of the Acquired Issuer;
- (viii) the REIT will not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
- (ix) the REIT will not invest in operating businesses unless such investment is incidental to a transaction (i) where revenue will be derived, directly or indirectly, principally from real property, or (ii) which principally involves the ownership, maintenance, improvement, leasing or management, directly or indirectly, of real property (in each case as determined by the Trustees);
- (x) the REIT may invest in a joint venture arrangement only if:
 - (a) the arrangement is one pursuant to which the REIT holds an interest in real property jointly or in common with others ("joint venturers") either directly or through the ownership of securities of a corporation or other entity (a "joint venture entity") as co-owners and not as partners;
 - (b) the REIT's interest in the joint venture arrangement is not subject to any restriction on transfer other than a ROFO or ROFR, if any, in favour of the joint venturers;
 - (c) the REIT has a ROFO or ROFR to buy the interests of the other joint venturers; and

- (d) the joint venture arrangement provides an appropriate buy-sell mechanism to enable a joint venturer to purchase the other joint venturers' interests or to sell its interest;

provided that, notwithstanding the foregoing, the REIT may from time to time enter into any joint venture arrangement which does not comply with any of subparagraphs (b) through (d) above if the Trustees determine that the investment is desirable for the REIT and is otherwise in compliance with the investment restrictions and the operating policies established in accordance with the Declaration of Trust and in effect at such time;

- (xi) the REIT shall not acquire interests in general partnerships or limited partnerships provided that the REIT may invest in a general partnership or limited partnership if:
 - (a) the general partnership or limited partnership is formed and operated solely for the purpose of acquiring, owning, maintaining, improving, developing, leasing or managing a particular real property or real properties or an interest therein;
 - (b) the REIT's interest in the limited partnership is not subject to any restriction on transfer other than a ROFO or ROFR, if any, in favour of any other partner or any affiliate thereof;
 - (c) the REIT has a ROFO or ROFR to buy the interests of the other partners; and
 - (d) the REIT has received a legal opinion to the effect that the investment: (A) would not disqualify the REIT as a "mutual fund trust" within the meaning of the Tax Act, and (B) would not result in the REIT losing any status under the Tax Act that is otherwise beneficial to the REIT and its Unitholders;

provided that, notwithstanding the foregoing, the REIT may from time to time enter into any limited partnership arrangement which does not comply with either of subparagraphs (b) or (d) above if the Trustees determine that the investment is desirable for the REIT and otherwise complies with the investment restrictions and operating policies established in accordance with the Declaration of Trust and in effect at such time;

- (xii) subject to subclause (vi) of the REIT's operating policies described below, the REIT will not invest in raw land for development, except: (a) for existing properties with additional development or properties adjacent to existing properties of the REIT for the purpose of the renovation or expansion of existing properties, or (b) the development of new properties which will be capital property of the REIT, provided that the aggregate value of the investments of the REIT in raw land, excluding raw land under development, after giving effect to the proposed investment, will not exceed 10% of the Gross Book Value;
- (xiii) the REIT may invest in mortgages and mortgage bonds (including participating or convertible mortgages) and similar instruments where:
 - (a) the real property which is security therefor is income producing real property which otherwise meets the other investment guidelines of the REIT; and
 - (b) the aggregate book value of the investments of the REIT in mortgages, after giving effect to the proposed investment, will not exceed 15% of the Gross Book Value; and
- (xiv) the REIT may invest an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any debt incurred or assumed in connection with such investment) up to 15% of Gross Book Value of the REIT in investments which do not comply with one or more of paragraphs (i) and (vii).

Operating Policies

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

- (i) the REIT shall not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for this purpose, the term “hedging” has the meaning given by National Instrument 81-102 — *Mutual Funds* adopted by the Canadian Securities Administrators, as replaced or amended from time to time and, in all events, subject to paragraph (ii) of the investment guidelines described above;
- (ii) (a) any written instrument creating an obligation which is or includes the granting by the REIT of a mortgage, and (b) to the extent the Trustees determine to be practicable and consistent with their fiduciary duties to act in the best interest of the Unitholders, any written instrument which is, in the judgment of the Trustees, a material obligation, shall contain a provision, or be subject to an acknowledgement to the effect, that the obligation being created is not personally binding upon, and that resort must not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise the private property of any of the Trustees, Unitholders, annuitants or beneficiaries under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of the REIT, but that only property of the REIT or a specific portion thereof is bound; the REIT, however, is not required, but must use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the REIT upon the acquisition of real property;
- (iii) the REIT shall not incur or assume any Indebtedness if, after giving effect to the incurring or assumption of the Indebtedness, the total Indebtedness of the REIT plus the aggregate par value of the Class C LP Units would be more than 60% of Gross Book Value (or 65% of Gross Book Value including convertible Indebtedness);
- (iv) at no time shall the REIT incur Indebtedness plus the aggregate par value of the Class C LP Units aggregating more than 20% of Gross Book Value (excluding debt with an original maturity of one year or more falling due in the next 12 months or variable rate debt for which the REIT has entered into interest rate swap agreements to fix the interest rate for a one year period or more) at floating interest or distribution rates; and at no time shall the REIT have Indebtedness more than 20% of Gross Book Value (excluding debt with an original maturity of one year or more falling due in the next 12 months) having maturities of less than one year;
- (v) the REIT may engage in construction or development of real property that is capital property to the REIT to maintain its real properties in good repair or to improve the income-producing potential of properties in which the REIT has an interest;
- (vi) the REIT may not engage in construction or development of new properties unless such new properties will be capital properties of the REIT on completion and the aggregate value of the investments of the REIT in such properties under development (which shall be inclusive of any investments in raw land as provided under sub clause (l) of the REIT’s investment guidelines), after giving effect to the proposed investment in the construction or development, shall not exceed 15% of Gross Book Value;
- (vii) title to each real property shall be held by and registered in the name of the REIT, the Trustees or a person wholly-owned, directly or indirectly, by the REIT or jointly-owned, directly or indirectly, by the REIT, with joint venturers or by any other persons in such manner as the Trustees consider appropriate, taking into account advice of legal counsel; provided that, where land tenure will not provide fee simple title, the REIT, the Trustees or a corporation or other entity wholly-owned, directly or indirectly, by the REIT or jointly owned, directly or indirectly, by the REIT or such person as the Trustees consider appropriate shall hold a ground lease as appropriate under the land tenure system in the relevant jurisdiction;

- (viii) the REIT shall not directly or indirectly guarantee any Indebtedness or liabilities of any person unless such guarantee: (a) is given in connection with or incidental to an investment that is otherwise permitted by the REIT's investment guidelines, (b) has been approved by the Trustees; and (c) (A) would not disqualify the REIT as a "mutual fund trust" within the meaning of the Tax Act, and (B) would not result in the REIT losing any other status under the Tax Act that is otherwise beneficial to the REIT and its Unitholders;
- (ix) the REIT shall directly or indirectly obtain and maintain at all times property insurance coverage in respect of potential liabilities of the REIT and the accidental loss of value of the assets of the REIT from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors, including the practice of owners of comparable properties;
- (x) the REIT shall have obtained an appraisal of each real property that it intends to acquire and an engineering survey with respect to the physical condition thereof, in each case, by an independent and experienced consultant, unless the requirement for such an appraisal or engineering survey is waived by the Independent Trustees; and
- (xi) the REIT shall, in each case by an independent and experienced environmental consultant, either:
 - (a) obtain a Phase I environmental site assessment, or (b) be entitled to rely on a Phase I environmental site assessment dated no earlier than 24 months prior to receipt by the REIT, of each real property to be acquired by it and, if the Phase I environmental site assessment report recommends that a further environmental investigation be conducted, the REIT shall either: (A) have conducted such further environmental investigation or (B) have a second independent and experienced environmental consultant, who did not participate in the preparation of the Phase I environmental site assessment further evaluate such real property to be acquired using the following specific risk criteria to evaluate any identified significant risk using the following criteria:
 - (w) foreseeable likelihood of material adverse effects due to off-site migration of contaminants;
 - (x) foreseeable likelihood of material adverse effects due to on-site human exposure to contaminants;
 - (y) foreseeable likelihood of regulatory intervention; and
 - (z) material detrimental impact on ability to sell, lease or finance the property to assess the potential implications to the REIT of the Phase I environmental site assessment findings; and, if such second consultant recommends that further environmental investigations be conducted, have conducted such further environmental investigations.

Notwithstanding the foregoing, the Declaration of Trust provides that for so long as CTC directly or indirectly holds a majority of the Voting Units, the REIT may not undertake, without the prior written consent of CTC (in its sole and absolute discretion): (i) any material acquisition, disposition, or development; (ii) subject to the CT Re-Financing Obligations, any financings (debt or equity), re-financings or similar transactions; (iii) any direct or indirect granting of security over any assets of the REIT or any related entity; or (iv) the replacement of the Chief Executive Officer of the REIT.

As at December 31, 2017, the REIT was in compliance with its Investment Guidelines and Operating Policies.

8. INDEBTEDNESS AND CLASS C LP UNITS

Capital Structure Strategy

The Declaration of Trust provides that the REIT will not incur or assume any Indebtedness if, after giving effect to the incurring or assumption of the Indebtedness, the total Indebtedness of the REIT plus the aggregate par value of the Class C LP Units would be more than 60% of Gross Book Value (or 65% of Gross Book Value including convertible Indebtedness). The Trust Indenture provides that the REIT will not incur or assume any Indebtedness if, after giving effect to the incurrence or assumption of the Indebtedness, the total Indebtedness of the REIT plus the aggregate par value of the Class C LP Units would be more than 60% of Aggregate Adjusted Assets (or 65% of Aggregate Adjusted Assets including

convertible Indebtedness). As at December 31, 2017, the REIT's Indebtedness plus the aggregate par value of the Class C LP Units to Gross Book Value ratio was 46.6% and the REIT's Indebtedness plus the aggregate par value of the Class C LP Units to Aggregate Adjusted Assets ratio was 48.8%. The weighted average distribution rate on the Class C LP Units during the Initial Fixed Rate Period is expected to be approximately 4.70% per annum.

As at February 12, 2018, the REIT's Indebtedness plus the aggregate par value of the Class C LP Units to Gross Book Value ratio is 47.0% and the REIT's Indebtedness plus the aggregate par value of the Class C LP Units to Aggregate Adjusted Assets ratio is 49.2%.

Bank Credit Facility

The REIT, through the Partnership, has a Bank Credit Facility for general business purposes, including property acquisitions, development, capital expenditures and the refinancing of other Indebtedness of the Partnership and its Subsidiaries. The REIT can access this credit on same-day notice. The REIT exercised the accordion feature in 2016 to increase the amount of the Bank Credit Facility from \$200 million to \$300 million and, in September 2017, the term was extended for one year to September 2022. The Bank Credit Facility bears interest at a rate based on the bank's prime rate or banker's acceptance plus a margin. A stand-by fee is charged on the Bank Credit Facility.

As at December 31, 2017, the REIT had \$53.9 million of cash advances drawn under its Bank Credit Facility. From time to time letters of credit are issued under the Bank Credit Facility for a fee.

As at February 12, 2018, the REIT had no cash advances drawn under its Bank Credit Facility. See section 3 of this AIF "*General Development of the Business – Financing – Shelf Prospectus*".

Bridge Facility

On December 14, 2017, the REIT, through the Partnership, entered into the Bridge Facility with CTC for an amount of up to \$150 million and for a term of up to one year for the sole purpose of acquiring a portfolio of certain investment properties from a third party. As at December 31, 2017, the REIT had drawn \$126.0 million on its Bridge Facility.

As at February 12, 2018, the REIT had no cash advances drawn under its Bridge Facility. See section 3 of this AIF "*General Development of the Business – Financing – Shelf Prospectus*".

Debentures

On June 9, 2015, the REIT completed the issuance of \$350 million aggregate principal amount of senior unsecured debentures. The Debentures were issued under the Trust Indenture, as supplemented between the REIT and the Indenture Trustee. The issuance of Series A Debentures in the principal amount of \$150 million and Series B Debentures, in the principal amount of \$200 million, were made by way of the First Supplemental Indenture and the Second Supplemental Indenture, respectively.

On May 31, 2016, the REIT completed the issuance of \$350 million aggregate principal amount of senior unsecured debentures. The Debentures were issued under the Trust Indenture, as supplemented between the REIT and the Indenture Trustee. The issuance of Series C Debentures in the principal amount of \$150 million and Series D Debentures, in the principal amount of \$200 million, were made by way of the Third Supplemental Indenture and the Fourth Supplemental Indenture, respectively.

On June 16, 2017, the REIT completed the issuance of \$175 million aggregate principal amount of senior unsecured debentures. The Series E Debentures were issued by way of the Fifth Supplemental Indenture under the Trust Indenture, as supplemented between the REIT and the Indenture Trustee.

On February 7, 2018, the REIT completed the issuance of \$200 million aggregate principal amount of senior unsecured debentures. The Series F Debentures were issued by way of the Sixth Supplemental Indenture under the Trust Indenture, as supplemented between the REIT and the Indenture Trustee.

The aggregate principal amount of each series that may be issued under an applicable supplemental indenture is unlimited. The Debentures have been rated “BBB (high)” by DBRS and “BBB+” by S&P. See section 11 “*Credit Ratings*”.

The following summaries do not purport to be complete with respect to the attributes of the Debentures and are qualified by reference to the terms of the Trust Indenture and Supplemental Indentures, which have been filed with Canadian Securities regulatory authorities and are available on SEDAR at www.sedar.com.

General

The Debentures are direct senior unsecured obligations of the REIT and rank equally and rateably with one another and with all other Debt Securities and unsubordinated and unsecured Indebtedness of the REIT, subject to certain exceptions and except to the extent prescribed by law. Each series was issued in \$1,000 denominations for a purchase price of \$1,000 for each \$1,000 principal amount of the respective debentures.

Date	Debt Instrument	Debt Instrument Principal Amount	Debt Instrument Interest Rate	First Payment of Interest Due	Redemption Date	Debt Instrument Maturity
June 9, 2015	Series A Senior Unsecured Debenture	\$150,000,000	2.852%	December 9, 2015	May 9, 2022	June 9, 2022
June 9, 2015	Series B Senior Unsecured Debenture	\$200,000,000	3.527%	December 9, 2015	March 9, 2025	June 9, 2025
May 31, 2016	Series C Senior Unsecured Debenture	\$150,000,000	2.159%	December 1, 2016	May 1, 2021	June 1, 2021
May 31, 2016	Series D Senior Unsecured Debenture	\$200,000,000	3.289%	December 1, 2016	March 1, 2026	June 1, 2026
June 16, 2017	Series E Senior Unsecured Debenture	\$175,000,000	3.469%	December 16, 2017	March 16, 2027	June 16, 2027
February 7, 2018	Series F Senior Unsecured Debenture	\$200,000,000	3.865%	June 7, 2018	September 7, 2027	December 7, 2027

Redemption

The REIT may, at its option, redeem any series of the Debentures at any time prior to the redemption date noted in the table above, in whole or in part, on payment of a redemption price equal to the greater of: (i) the applicable Canada Yield Price (as defined in the First Supplemental Indenture); and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. The Trust may, at its option, redeem any series of the Debentures at any time on or after the redemption date noted in the table above, on not fewer than 30 or no more than 60 days' prior notice at a redemption price equal to 100% of the principal amount thereof together with accrued and unpaid interest.

Rank

The Debentures are direct senior unsecured obligations of the Trust and rank equally and rateably with one another and with all other unsecured and unsubordinated obligations of the REIT, except to the extent prescribed by law.

Covenants

Each of the Supplemental Indentures contains covenants substantially similar to the following:

- Debt Service Coverage Ratio - the Trust will maintain at all times a ratio of Consolidated EBITDA to Debt Service of not less than 1.50 to 1.00.
- Restrictions on Additional Indebtedness - The Trust will not incur, or permit any Subsidiary to incur, any Indebtedness, other than Permitted Indebtedness, unless certain ratios are met.
- Maintenance of Unencumbered Aggregate Adjusted Assets - The Trust will maintain at all times a ratio of Unencumbered Aggregate Adjusted Assets (excluding construction assets and other non-income producing assets) to Consolidated Unsecured Indebtedness (excluding Subordinated Indebtedness) of not less than 1.50:1.00.
- Restrictions on consolidations and mergers - Neither the Trust nor any Subsidiary may consolidate with, amalgamate or merge with or into or sell, assign, transfer or lease all or substantially all of its properties and assets (other than pursuant to a reorganization of the Trust pursuant to a conversion to an open-end trust or otherwise) unless certain conditions are met.

Repurchase upon Change of Control Triggering Event

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

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

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

As at February 12, 2018, the amount outstanding under the Debentures was \$1,075 million.

Mortgages Payable

In connection with the acquisition of certain properties, the Partnership may assume existing mortgages secured by such properties.

As at December 31, 2017, the mortgages payable secured by certain of the Properties was approximately \$44.0 million at an average interest rate of approximately 3.07% and a weighted average term to maturity of approximately 1.8 years.

Class C LP Units

The Class C LP Units issued to CTC have been issued in series and have a fixed, cumulative, preferential cash distribution, if, as and when declared by the board of directors of the General Partner, for the period which began on October 23, 2013 and which will end for each series on the date for such series and payable monthly at an annual distribution rate for each series as set out in the table in section 6 “*Partnership – Class C LP Units*”.

In all cases, the Class C LP Units provide holders, on a *pari passu* basis with holders of the Class D LP Units, with a cumulative, preferential cash distribution, if, as and when declared by the board of directors of the General Partner; provided that, for greater certainty, the amount of any such distribution shall be determined in accordance with the terms of each series of Class C LP Units. Subject to redemption rights, immediately following the completion of each of the Initial Fixed Rate Period for such series and each five-year period thereafter, holders of the Class C LP Units of that series may elect either a fixed rate or floating rate option for such five-year period, provided that a holder of Class C LP Units may not elect a floating rate option if such election would result in the REIT exceeding the limit on floating rate instruments set out in the Declaration of Trust.

As at December 31, 2017, there was approximately \$1.45 billion in Class C LP Units. For further information on Class C LP Units see section 5.2 “*Authorized Capital and Outstanding Securities*” and section 6 “*Partnership – Class C LP Units*”.

9. ARRANGEMENTS WITH CTC

9.1 Acquisition Agreement

The REIT indirectly acquired interests in the Initial Properties pursuant to the Acquisition Agreement. The Acquisition Agreement contains representations and warranties typical of those contained in acquisition agreements negotiated between sophisticated purchasers and vendors acting at arm’s length, certain of which are qualified as to knowledge and materiality and subject to reasonable exceptions, relating to CTC (as vendor) and the Initial Properties. Certain similar representations and warranties are contained in purchase agreements the Partnership has entered into with CTC subsequent to the Initial Public Offering, though each such agreement was negotiated in the context of the specific acquisition being undertaken and no assurances can be given that any such agreement will contain terms as favourable as the Acquisition Agreement.

9.2 Indemnity Agreement

Under the Indemnity Agreement, CTC indemnified the REIT for any breach of the representations and warranties in the Acquisition Agreement. The maximum liability of CTC under such indemnity is limited to the amount of the net proceeds received from the Initial Public Offering and no claim under the indemnity may be made until the aggregate losses exceed \$1 million and the threshold dollar amount for each claim to be included for purposes of a breach of representation claim is \$50,000.

9.3 Exchange Agreement

Under the Exchange Agreement, the REIT has agreed with the Partnership and the holders of the Class B LP Units and Class C LP Units, as applicable, to, among other things, issue Units upon the exchange of Class B LP Units in accordance with their terms or upon the election of a holder of Class B LP Units to receive distributions on Class B LP Units in the form of Units on a basis equivalent to the rights of Unitholders participating in the DRIP, and to issue Special Voting Units to holders of Class C LP Units in certain limited circumstances. Upon an exchange, the corresponding number of Special Voting Units is cancelled.

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

- (i) the exchange would not cause the REIT to cease to qualify as, or cause a significant risk to the REIT’s status as, a “mutual fund trust” or “real estate investment trust” under the Tax Act or cause or create a significant risk that would cause the REIT to be subject to tax under paragraph 122(1)(b) of the Tax Act;
- (ii) the REIT is legally entitled to issue the Units in connection with the exercise of the exchange right; and
- (iii) the person receiving the Units upon the exercise of the exchange right complies with all applicable securities laws and stock exchange requirements at the time of the exchange.

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

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

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

Pre-Emptive Rights

In the event that the REIT or the Partnership decides to issue equity securities of the REIT or the Partnership or securities convertible into or exchangeable for equity securities of the REIT or the Partnership or an option or other right to acquire any such securities other than to an Affiliate thereof (“Issued Securities”), the Exchange Agreement provides CTC (for so long as it owns at least a 10% effective interest in the REIT (on a fully-diluted basis)), with pre-emptive rights to purchase Units, Class B

LP Units or Issued Securities, to maintain CTC's effective *pro rata* ownership interest (on a fully-diluted basis). The pre-emptive rights do not apply to the issuance of Issued Securities in certain circumstances.

Registration Rights

The Exchange Agreement also provides CTC (on behalf of itself and its Subsidiaries that hold Class B LP Units) with the right (the "Piggy-Back Registration Right") to require the REIT to include Units held by such securityholders, including Units issuable upon exchange of Class B LP Units, in any future offering undertaken by the REIT by way of prospectus that it may file with applicable Canadian securities regulatory authorities (a "Piggy-Back Distribution"). The REIT is required to use reasonable commercial efforts to cause to be included in the Piggy-Back Distribution all of the Units that CTC requests to be sold, provided that if the Piggy-Back Distribution involves an underwriting and the lead underwriter determines that the total number of Units to be included in such Piggy-Back Distribution should be limited for certain prescribed reasons, the Units to be included in the Piggy-Back Distribution will be first allocated to the REIT.

In addition, the Exchange Agreement provides CTC (on behalf of itself and its Subsidiaries that hold Class B LP Units) with the right (the "Demand Registration Right") to require the REIT to use reasonable commercial efforts to file one or more prospectuses with applicable Canadian securities regulatory authorities, qualifying Units held by such securityholders, including Units issuable upon the exchange of Class B LP Units, for distribution (a "Demand Distribution"). The REIT may distribute Units in connection with a Demand Distribution provided that if the Demand Distribution involves an underwriting and the lead underwriter determines that the total number of Units to be included in such Demand Distribution should be limited for certain prescribed reasons, the Units to be included in the Demand Distribution will be first allocated to the selling securityholders.

Each of the Piggy-Back Registration Right and the Demand Registration Right are exercisable at any time provided that CTC owns at least a 10% effective interest in the REIT (on a fully-diluted basis) at the time of exercise.

Tag/Drag Rights

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

Assignment

The Exchange Agreement is not assignable by CTC without the REIT's prior written consent other than to one or more Affiliates of CTC, provided that such entity remains an Affiliate of CTC.

9.4 Commercial Agreements with CTC

CT REIT, the Partnership and CTC are parties to the following commercial agreements which govern the relationships among such parties: Services Agreement, Property Management Agreement, ROFO Agreement, Development Agreement and Non-Competition and Non-Solicitation Agreement, which agreements are material contracts for the REIT and are qualified in their entirety by reference to all of the provisions of such agreement.

Services Agreement

Pursuant to the Services Agreement, CTC provides the REIT with certain administrative, financial, information technology, human resources and ancillary services (collectively, the “Services”). The Services are provided to the REIT on a cost-recovery basis only, pursuant to which the REIT reimburses CTC for all costs and expenses incurred by CTC in connection with providing the Services. In 2017, the REIT paid a fee based on the actual cost of the Services provided. In 2018, the REIT will again pay a fee based on the actual cost of the Services provided. The Services Agreement is automatically renewable for one year terms unless otherwise terminated in accordance with its terms. The Services Agreement was renewed for 2018 with the fee to be based on the actual cost of the Services provider thereunder.

Property Management Agreement

The Partnership and CTC, through CTREL, entered into the Property Management Agreement pursuant to which CTC provides the Partnership with certain customary Property Management Services. The Property Management Services are provided to the Partnership on a cost-recovery basis only, pursuant to which the Partnership reimburses CTC for all costs and expenses incurred by CTC in connection with providing the Property Management Services. The Property Management Agreement is automatically renewable for one year terms unless otherwise terminated in accordance with its terms. The Property Management Agreement was renewed for 2018 with the fee to be based on the actual cost of the Property Management Services provider thereunder.

ROFO Agreement

CT REIT, the Partnership and CTC entered into the ROFO Agreement on October 23, 2013, pursuant to which CTC has provided the REIT with a ROFO to acquire any interest of CTC in the properties it owns which meet the REIT’s investment criteria, prior to the disposition of any such property to third parties, on terms no less favourable to the REIT than those offered by or to such third party. The ROFO Agreement has an initial term of 10 years and continues in effect thereafter until such time as CTC ceases to hold, directly or indirectly, a majority of the Voting Units.

The REIT has provided CTC with a ROFO to lease space at its properties when such leasable space is acquired or becomes available. This ROFO in favour of CTC expires when CTC ceases to hold, directly or indirectly, a majority of the Voting Units. The ROFO provides that if the REIT at any time desires to lease, or receives and desires to accept an offer to lease a property, it will provide CTC with written notice together with a formal offer to lease such space.

The REIT has also provided CTC with a ROFR in the event of a Change of Control. The Change of Control ROFR provides that if a Competitor acquires more than 50% of the Units, on a fully-diluted basis, at a time when the properties of the REIT leased by CTC represent at least 50% of the GLA of all of the properties of the REIT, then CTC has the right to acquire all properties then leased by it at the then fair market value. The Change of Control ROFR expires when the assets of the REIT leased by CTC represent less than 50% of the GLA of the assets of the REIT.

Development Agreement

CT REIT, the Partnership, CTC and CTREL entered into the Development Agreement on October 22, 2013 for a term expiring on the later of: (i) the tenth anniversary of the date of the agreement; and

(ii) such time when CTC ceases to hold, directly or indirectly, a majority of the Voting Units. Pursuant to the Development Agreement, the REIT has certain rights to participate in development projects, purchase development projects, provide mezzanine financing for new development projects and acquire shopping centres. The Development Agreement is renewable by the parties thereto on mutually acceptable terms and, in the event of termination, shall continue with full force and effect in respect of any development projects undertaken prior to such termination. All decisions by the REIT in respect of the development, acquisition or financing of a property under the Development Agreement are approved by the Independent Trustees who are unaffiliated with CTC.

Non-Competition and Non-Solicitation Agreement

CT REIT, the Partnership and CTC entered into the Non-Competition and Non-Solicitation Agreement on October 23, 2013 for a term expiring on the later of: (i) the tenth anniversary of the date of the agreement; and (ii) such time that CTC ceases to hold, directly or indirectly, a majority of the Voting Units. Pursuant to the terms of the Non-Competition and Non-Solicitation Agreement, without prior written approval of a majority of the REIT's Independent Trustees, CTC is not permitted, directly or indirectly, to: (i) create another real estate investment trust or publicly traded real estate business with investment criteria similar to that of the REIT; (ii) materially engage (contractually or otherwise) with another real estate investment trust or publicly traded real estate business with investment criteria similar to that of the REIT, except in the normal course of business to lease or acquire property for its own use; or (iii) acquire or develop properties, other than properties required by CTC to operate its retail business, which meet the REIT's investment criteria. However, CTC is permitted to create another real estate investment trust or publicly traded real estate business with investment criteria similar to that of the REIT if CTC: (i) acquires a business that owns a material amount of real estate that CTC wishes to sell; and (ii) after offering such real estate to the REIT, if the REIT does not elect to purchase such properties pursuant to the ROFO Agreement, and provided that CTC has first given its consent to the REIT to acquire such properties. Throughout the term of the Non-Competition and Non-Solicitation Agreement, CTC is not permitted to directly or indirectly solicit an existing tenant of the REIT to move to a non-REIT property; provided that CTC may seek alternative premises for a CTC Banner tenant of the REIT if: (i) CTC has first provided the REIT with an opportunity to accommodate its requirements for such tenant and (ii) such tenant is continuing to meet its obligations to the REIT under its lease. The Non-Competition and Non-Solicitation Agreement also provides that for as long as the Services Agreement and Property Management Agreement remain in effect, and for a period of one year thereafter, CTC will not be permitted to solicit any employee of the REIT and the REIT will not be permitted to solicit any employee of CTC.

The preceding summary is qualified by reference to the terms of the Services Agreement, Property Management Agreement, ROFO Agreement, Development Agreement and Non-Competition and Non-Solicitation Agreement, which have been filed with the Canadian securities regulatory authorities and are available on SEDAR at www.sedar.com.

10. DISTRIBUTIONS

Distribution Policy

The REIT has adopted a distribution policy, as permitted under the Declaration of Trust, pursuant to which it makes monthly cash distributions to Unitholders and, through the Partnership, holders of Class B LP Units. Initially such cash distributions were equal to, on an annual basis, approximately 90% of the REIT's estimated AFFO. The REIT has continued to share growth in AFFO between increasing distributions and reducing the AFFO payout. Pursuant to the Declaration of Trust, the Trustees have full discretion respecting the timing and amounts of distributions, including in respect of: (i) amounts actually distributed; and (ii) the adoption, amendment or revocation of any distribution policy. See section 4.1 *"Risk Factors Related to the Real Estate Industry and the Business of the REIT – Return on Investment and Cash Distributions are Not Guaranteed"*. Unitholders of record as at the close of business on the last business day of the month preceding a date of distribution will have an entitlement, on and after that day, to receive distributions in respect of that month on such date of distribution.

A partner, where permitted by the terms of the Partnership Units, may choose to be loaned an amount from the Partnership equal to all or a portion (the "Selected Amount") of the distribution described above, net of any applicable withholdings, and to have the distribution of the Selected Amount made to it on the first Business Day following the end of the Fiscal Year in which such distribution would otherwise have been made. Each such loan made in a Fiscal Year will not bear interest and will be due and payable in full on or before the first Business Day following the end of the Fiscal Year during which the loan was made.

Distribution History

Distributions Paid	Monthly Distribution per Unit ⁽¹⁾	Annualized Distribution per Unit
January 2015 – December 2015	\$0.05525	\$0.663
January 2016 – December 2016	\$0.05667	\$0.680
January 2017 – December 2017	\$0.05833	\$0.700

⁽¹⁾ The REIT's distributions were less than the REIT's cash generated from operating activities, cash generated from operating activities reduced by interest expense and less than AFFO for the same periods.

The REIT intends to make monthly cash distributions of \$0.06067 per Unit to Unitholders, or approximately \$0.728 per Unit on an annual basis, commencing with the distribution paid in January 2018.

The General Partner, on behalf of each partner, declares and authorizes the Limited Partnership to make monthly cash distributions to holders of Class A LP Units and to holders of Class B LP Units by reference to the monthly cash distributions payable by the REIT to Unitholders. The distributions paid on each REIT Unit have been equivalent to what has been paid in respect of each Class A LP Unit and Class B LP Unit.

The REIT has made distributions to Unitholders at least equal to the amount of taxable income of the REIT as is necessary to ensure that the REIT is not liable for ordinary income taxes on such income. To the extent that the REIT realizes taxable income which is in excess of the monthly distributions paid or made payable to Unitholders during the taxation year, the REIT may make an additional distribution (which may be satisfied by the issuance of Units) to Unitholders of record on December 31 to ensure that the REIT will not be liable for ordinary income taxes on such income. Such additional distribution was not made to Unitholders of record on December 31, 2017.

Distribution Reinvestment Plan

CT REIT has adopted a distribution reinvestment plan (“DRIP”). Eligible Unitholders who elect to have all or a portion of the cash distributions of the REIT automatically reinvested in additional Units (at price per Unit calculated by reference to the five-day volume-weighted average for the Units on the TSX) receive a further distribution of Units equal to 3% of each distribution that was reinvested by them. CTC is eligible to participate in the DRIP with respect to those Units in the same manner as all other eligible Unitholders. CTC does not currently participate in the DRIP.

In addition, a holder of Class B LP Units has the right to elect to reinvest all or a portion of distributions payable on its Class B LP Units on the same economic terms as participants in the DRIP. A holder of Class B LP Units may reinvest such distributions in Class B LP Units, Units or a combination thereof. Holders of Class B Units did not elect to reinvest any portion of the distributions paid during the period ended December 31, 2017.

The REIT initially reserved 17,562,086 additional Units with the TSX to accommodate the issue of Units under the DRIP. The reserve balance at December 31, 2017 was 16,930,385.

11. CREDIT RATINGS

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

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

S&P has provided the REIT and the Debentures with a credit rating of “BBB+” with a Stable outlook. A credit rating of “BBB+” by S&P is within the fourth highest of 10 categories and indicates that the obligation exhibits adequate capacity to meet financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. A credit rating of “BBB-” or higher is an investment grade rating. The addition of a rating outlook modifier, such as “Positive”, “Negative”, and “Stable” or “Developing” assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). An outlook is not necessarily a precursor of a rating change. The addition of a plus (+) or minus (-) designation after a rating indicates the relative standing within a particular rating category.

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

The REIT has paid customary rating fees to DBRS and S&P in connection with the above mentioned ratings. The REIT did not make any payments to DBRS or S&P in respect of any other service provided to the REIT by DBRS or S&P.

12. MARKET FOR SECURITIES

CT REIT's Units are listed and posted for trading on the TSX under the trading symbol "CRT.UN". The following table sets forth the high and low trading prices and trading volumes for the outstanding Units on the TSX for the period indicated:

Date	High (\$)	Low (\$)	Volume Traded
January 2017	15.00	14.55	700,080
February 2017	15.60	14.62	726,510
March 2017	15.35	14.77	529,387
April 2017	15.19	14.54	687,483
May 2017	15.11	14.54	836,448
June 2017	15.12	14.01	723,105
July 2017	14.70	14.00	502,638
August 2017	14.57	13.78	372,437
September 2017	14.08	13.61	418,816
October 2017	14.55	13.83	468,499
November 2017	14.96	13.68	710,293
December 2017	14.88	14.07	369,825

Source: TSX Market Data

13. TRUSTEES AND OFFICERS

Board of Trustees

The Declaration of Trust provides that the Board of Trustees shall consist of a minimum of seven and a maximum of nine Trustees, a majority of whom (including the Chairman) shall be independent under Canadian securities law and Canadian residents. CT REIT currently has seven Trustees.

Members of the Board of Trustees

The names, provinces and country of residence, year first elected or appointed as Trustee, and present principal occupations of the Trustees of the REIT as at February 12, 2018 are as follows:

Name, Province and Country of Residence	Year First Elected/Appointed as a Trustee ⁽¹⁾	Present Principal Occupation ⁽²⁾
David Laidley ⁽³⁾ Quebec, Canada	2013	Non-Executive Chairman of the Board and Corporate Director
Brent Hollister Ontario, Canada	2013	Corporate Director
Anna Martini Quebec, Canada	2013	Executive Vice-President and Chief Financial Officer, Club de Hockey Canadien Inc., Bell Centre and evenko
John O'Bryan Ontario, Canada	2013	Corporate Director
Dean McCann Ontario, Canada	2013	Executive Vice-President and Chief Financial Officer, CTC
Kenneth Silver Ontario, Canada	2013	President and Chief Executive Officer of the REIT
Stephen Wetmore Ontario, Canada	2013	President and Chief Executive Officer, CTC

Notes:

- (1) Each Trustee of the REIT holds office until the next annual meeting of Voting Unitholders of the REIT or until his or her successor is elected or appointed unless his or her office is earlier vacated in accordance with the Declaration of Trust.
- (2) Each Trustee of the REIT has held the principal occupation indicated opposite his or her name during the past five years except:
- (a) A. Martini, who prior to January 2017, served as President of Groupe Dynamite Inc., a specialty apparel global retailer;
 - (b) J. O'Bryan, who prior to November 2012 and December 2014, served as Vice-Chair and Chairman, respectively, of CBRE Limited, a commercial real estate company;
 - (c) K. Silver, who prior to October 2013, served as Senior Vice-President, Corporate Strategy and Real Estate of CTC and President of CTREL; and
 - (d) S.G. Wetmore, who between December 1, 2014 and July 12, 2016, served as Non-Executive Deputy Chairman of the board of directors of CTC, prior to December 1, 2014, served as Chief Executive Officer of CTC, and prior to November 7, 2013, served as Chief Executive Officer and President of CTC.
- (3) D. Laidley was acting as a director of 2907160 Canada Inc. (formerly ProSep Inc.) ("ProSep") from August 2008 until January 2014. On April 12, 2013, the Autorité des marchés financiers issued a management cease trade order restricting all trading in securities of ProSep by management and insiders of ProSep due to failure to file its annual disclosure documents within the prescribed time period. The management cease trade order was revoked on June 17, 2013. On October 28, 2013, ProSep filed for and obtained creditor protection under the Companies' Creditors Arrangement Act (Canada). At the same time, the Superior Court of Quebec (Commercial Division) approved the sale of substantially all of ProSep's assets to a third party. The distribution of ProSep's liquidation proceeds was completed and ProSep was dissolved on January 15, 2014.

13.1 Committees of the Board of Trustees

As at December 31, 2017, the Board of Trustees had three committees: the Audit Committee, the Governance, Compensation and Nominating Committee and the Investment Committee. The current members of these Committees are as follows:

Audit Committee	Governance, Compensation and Nominating Committee	Investment Committee
Anna Martini (Chair)	Brent Hollister (Chair)	John O'Bryan (Chair)
David Laidley	David Laidley	Brent Hollister
John O'Bryan	Anna Martini	Kenneth Silver
-	Stephen Wetmore	-

Audit Committee

The Audit Committee Charter is attached hereto as Schedule A. As noted above, the Audit Committee is comprised of Anna Martini, David Laidley, and John O'Bryan. The education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member is described below:

Member	Experience
Anna Martini, Chairman	Ms. Martini is a Chartered Professional Accountant and the Executive Vice-President and Chief Financial Officer of Club de Hockey Canadien Inc., Bell Centre and evenko. Previously, she was the President of Groupe Dynamite Inc., a specialty apparel global retailer, from 2004 to January 2017. From 1985 to 2004, Ms. Martini worked at Deloitte LLP (Canada) including as a partner in audit and advisory services from 1996 to 2004. She served as Chair of the Board of the Retail Council of Canada from 2014 to 2016 and as a board member and Treasurer from 2007 to 2014. Ms. Martini is Chair of the Board of the McGill University Health Centre Foundation and a director and member of the Audit Committee for Transcontinental Inc. Her previous experience also includes serving as a director of Velan Inc. from 2008 to 2013, where she also chaired the Audit Committee.
David Laidley	Mr. Laidley was a partner of Deloitte LLP (Canada) from 1975 until his retirement in 2007. During his tenure at the firm, Mr. Laidley was elected Chairman in 2000 and served in that capacity until 2006. A Chartered Professional Accountant, Mr. Laidley has over 40 years of professional services experience specializing in the tax and audit practices. Mr. Laidley currently chairs the Audit Committee of Input Capital Inc. and sits on the Audit Committee of EMCOR Group Inc. Mr. Laidley was previously the Lead Director and chair of the Audit Committee at the Bank of Canada, chair of the Audit Committee of Aviva Canada Inc. and sat on the Audit Committee of Aimia Inc.
John O'Bryan	Mr. O'Bryan is an Honorary Chairman of CBRE Limited and a former member of its Canadian Board of Directors and Canadian Executive Management Committee. Between 2008 and 2012 he served as Vice-Chair of CBRE Limited, followed by the role of Chairman until 2014. He currently serves as Chairman of the Board of Slate Office REIT and is also Chairman of its Investment Committee. Prior to joining CBRE Limited in 2008, Mr. O'Bryan served as Managing Director at TD Securities from 1998 to 2008. As an executive and corporate director, Mr. O'Bryan has over 40 years' experience in corporate finance, financial transactions, and reviewing and analyzing financial statements.

Each member of the Audit Committee is financially literate within the meaning of such definition as set out in National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators ("NI 52-110"). Each member of the Audit Committee is also independent pursuant to NI 52-110.

The Audit Committee has a process for approval of services to be provided by its current auditors. The process requires that an annual client services plan be provided to and approved by the Audit Committee prior to commencement of services by the auditors. Any additional audit or non-audit services required by management will be permitted provided that management is satisfied the auditors are the preferred supplier for such services, the proposed terms of engagement for the services are approved by the Chairman of the Audit Committee (or by the Audit Committee if the fees for such services exceed \$100,000 or the services are of a sensitive or unusual nature), and the Chairman of the Audit Committee advises the Audit Committee of any such pre-approved services at its next meeting. The auditors are also responsible for ensuring that all services provided comply with professional independence standards, and for disclosing to the Audit Committee all relationships between the auditors and the REIT and its related entities that may reasonably be thought to bear on the auditors' independence and the total fees charged by the auditors for audit and non-audit services during the past year.

13.2 Independent Trustee Matters

The following matters require the approval of a majority of the Independent Trustees who are Independent Trustees in accordance with the Declaration of Trust: (i) an acquisition of a property or an investment in a property, or the provision of any financing, development or leasing services in respect of a property in which CTC or an Affiliate of CTC or any Related Party of the REIT has any direct or indirect interest, (ii) a material change to any agreement with CTC or an Affiliate of CTC or a Related Party of the REIT or any approval, consent, waiver or other decision of Trustees thereunder, or any renewal, extension or termination thereof or any increase in any fees (including any transaction fees) or distributions payable thereunder, (iii) the entering into of, or the waiver, exercise or enforcement of any rights or remedies under, any agreement entered into by the REIT, or the making, directly or indirectly, of any co-investment, in each case, with: (a) CTC (other than provided for in the terms of the Class C LP Units), (b) any Trustee, (c) any entity directly or indirectly controlled by any Trustee or in which any Trustee holds a significant interest, or (d) any entity for which any Trustee acts as a director or in other similar capacity, (iv) the refinancing, increase or renewal of any Indebtedness owed by or to, or the redemption of the Class C LP Units by: (a) CTC, (b) any Trustee, (c) any entity directly or indirectly controlled by any Trustee or in which any Trustee holds a significant interest, or (d) any entity for which any Trustee acts as a director or in other similar capacity; or (v) decisions relating to any claims by or against one or more parties to any agreement with CTC or an Affiliate of CTC or any Related Party of the REIT.

13.3 Executive Officers of the REIT

The REIT is managed and operated by an experienced internal senior executive team comprised of the REIT's President and Chief Executive Officer, Senior Vice-President and Chief Financial Officer, and Senior Vice-President, Real Estate. As at December 31, 2017, the REIT had 10 employees, including the President and Chief Executive Officer, Senior Vice-President and Chief Financial Officer, and Senior Vice-President, Real Estate.

The names, province and country of residence and present principal occupations of the executive officers of the REIT as at February 12, 2018 are as follows:

Name, Province and Country of Residence	Present Principal Occupation⁽¹⁾
Kenneth Silver, Ontario, Canada	President and Chief Executive Officer
Louis Forbes ⁽²⁾ , Ontario, Canada	Senior Vice-President and Chief Financial Officer
Kevin Salsberg, Ontario, Canada	Senior Vice-President, Real Estate

Notes:

(1) The executive officers of the REIT had the following principal occupations during the past five years:

- (a) Prior to October 2013, K. Silver served as Senior Vice-President, Corporate Strategy and Real Estate of CTC and President of CTREL.
- (b) Prior to April 2013, L. Forbes served as Executive Vice-President and Chief Financial Officer of Primaris Retail REIT.
- (c) Prior to June 2016, K. Salsberg served as Executive Vice-President and Chief Investment Officer of Plaza Retail REIT, prior to 2015, served as Executive Vice-President of Plaza Retail REIT, and prior to 2013, served as Chief Operating Officer of KEYreit.

(2) Mr. Forbes was acting as a director of CHC Student Housing Corp. ("CHC") when on May 5, 2017, CHC was granted a management cease trade order by its principal regulator, the Ontario Securities Commission, following an application by CHC for the management cease trade order as a result of CHC's inability to file its audited annual financial statements, MD&A and related certifications for the fiscal year ended December 31, 2016 on or before May 1, 2017, as required under applicable securities laws. The management cease trade order was lifted on July 4, 2017 following the filing of CHC's audited annual financial statements, MD&A and related certifications for the fiscal year ended December 31, 2016 and its financial statements, MD&A and related certifications for its fiscal quarter ended March 31, 2017. Mr. Forbes resigned as a director of CHC in July 2017.

Ownership, Control and Direction of Securities by Trustees and Executive Officers

As at December 31, 2017, all Trustees and executive officers of the REIT as a group beneficially owned, directly or indirectly, or exercised control or direction over 330,130 Units of the REIT (representing approximately 0.36% of the issued and outstanding Units of the REIT on a non-diluted basis).

14. CONFLICTS OF INTEREST

The Declaration of Trust contains “conflict of interest” provisions to protect Unitholders without creating undue limitations on the REIT. The Declaration of Trust contains provisions that require each Trustee to disclose to the REIT any interest in a material contract or transaction or proposed material contract or transaction with the REIT (including a contract or transaction involving the making or disposition of any investment in real property or a joint venture agreement) or the fact that such person is a director or officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the REIT. A Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating to: (i) his or her direct remuneration as a Trustee, officer, employee or agent of the REIT; or (ii) the indemnity of himself or herself as a Trustee or the purchase or maintenance of liability insurance.

Stephen Wetmore and Dean McCann, each a Trustee of the REIT and senior executive officer of CTC, are required to disclose the nature and extent of their respective interests in, and are not entitled to vote on any resolution to approve, any material contract or transaction or any proposed material contract or transaction between the REIT and CTC or any of its Affiliates or any other entity in which either Trustee has an interest (unless the contract or transaction relates to their remuneration or an indemnity under the provisions of the Declaration of Trust on liability insurance).

15. PROMOTER

CTC took the initiative in founding and organizing CT REIT and is considered a promoter of the REIT in accordance with applicable securities legislation. As at December 31, 2017, CTC held, indirectly, an 85.5% effective interest in the REIT on a fully-diluted basis through ownership of 59,711,094 Units and all of the Class B LP Units, where each Class B LP Unit is attached to a Special Voting Unit of the REIT, providing for voting rights in the REIT. CTC also holds all of the non-voting Class C LP Units which, in limited circumstances, have voting rights pursuant to Special Voting Units issuable by the REIT to holders of Class C LP Units in certain limited circumstances.

In addition, CTC has undertaken that, subject to relevant circumstances changing (including, without limitation as between the relationship between the REIT and CTC), each prospectus supplement to the 2017 Base Shelf Prospectus will: (i) identify CTC as a promoter and include a description of the promoter in accordance with Item 16 of Form 44-101F1 – Short Form Prospectus; and (ii) include a promoter certificate in accordance with Part 5 of NI 41-101.

CT REIT reimbursed CTC for all reasonable expenses incurred by it in connection with the founding and organizing of CT REIT out of the proceeds of the Initial Public Offering. CTC did not receive any acquisition or other fee in connection with the founding and organization of the REIT, the acquisition of the Initial Properties or any related financings. CTC is the REIT's most significant tenant and has entered into various commercial agreements with CTC. See section 2.3 “*Description of Key Tenant*” and section 9.4 “*Arrangements with CTC – Commercial Agreements with CTC*”.

16. INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

As at December 31, 2017, CTC held an 85.5% effective interest in the REIT on a fully-diluted basis through ownership of 59,711,094 Units and all of the issued and outstanding Class B LP Units. In addition, CTC holds all of the outstanding Class C LP Units of the Partnership. Each Class B LP Unit is exchangeable at the option of the holder for one Unit of the REIT (subject to certain anti-dilution adjustments), is accompanied by one Special Voting Unit of the REIT (which provides for the same voting rights in the REIT as a Unit) and receives distributions of cash from the Partnership equal to the distributions made by the REIT on a Unit.

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

Multilateral Instrument 61-101 — *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") provides a number of circumstances in which a transaction between an issuer and a Related Party may be subject to valuation and minority approval requirements. An exemption from such requirements is available when the fair market value of the transaction does not exceed 25% of the market capitalization of the issuer. CT REIT has been granted exemptive relief from the requirements of MI 61-101 that, subject to certain conditions, permits it to be exempt from the minority approval and valuation requirements for transactions that would have a value of less than 25% of CT REIT's market capitalization if Class B LP Units held by CTC, including its subsidiaries, are included in the calculation of CT REIT's market capitalization. As a result, the 25% threshold, above which the minority approval and valuation requirements would apply, is increased to include the approximately 57.6% indirect exchangeable equity interest in CT REIT held by CTC, including its Subsidiaries, in the form of Class B LP Units.

17. MATERIAL CONTRACTS

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

- (i) the Declaration of Trust;
- (ii) the Development Agreement;
- (iii) the Exchange Agreement;
- (iv) the Indemnity Agreement;
- (v) the Limited Partnership Agreement;
- (vi) the Non-Competition and Non-Solicitation Agreement;
- (vii) the Property Management Agreement;
- (viii) the ROFO Agreement;
- (ix) the Services Agreement; and
- (x) the Trust Indenture as supplemented by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture and the Fifth Supplemental Indenture.

Copies of the foregoing documents have been filed with the Canadian securities regulatory authorities and are available on SEDAR at www.sedar.com.

18. INTERESTS OF EXPERTS

Deloitte LLP is the auditor of the REIT and is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

Auditor's Fees

The table below shows the fees that Deloitte LLP received for services for the financial years ended and December 31, 2017 and December 31, 2016, respectively.

Auditor's Fees	2016 (ended December 31, 2016)	2017 (ended December 31, 2017)
Audit fees ⁽¹⁾	\$406,600	\$417,300
Audit-related fees ⁽²⁾	\$150,990	\$172,390
Tax fees	\$0	\$0
All other fees	\$0	\$0
Total	\$557,590	\$589,690

(1) These fees related to annual audit and interim review services provided to the REIT.

(2) These fees related primarily to translation services and audit-related services provided in connection with the issuance of the Series E Debentures of the REIT.

19. TRANSFER AGENT, REGISTRAR AND INDENTURE TRUSTEE

The transfer agent and registrar for the Units is Computershare Trust Company of Canada at its principal office in Toronto, Ontario.

The Indenture Trustee for the Debentures is BNY Trust Company of Canada.

20. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

CT REIT can be exposed to various litigation and claims that arise from time to time in the normal course of business. During 2017 neither the REIT nor its Properties were subject of, or were a party to, any material legal proceedings.

During 2017: (i) there have been no penalties or sanctions imposed against the REIT by a court relating to securities legislation or by a securities regulatory authority; (ii) there have been no other penalties or sanctions imposed by a court or regulatory body against the REIT that would likely be considered important to a reasonable investor in making an investment decision; and (iii) the REIT has not entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority.

21. ADDITIONAL INFORMATION

Additional information, including Trustees' and officers' remuneration, principal holders of the REIT's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the REIT's management information circular prepared in connection with the annual meeting of Unitholders of CT REIT that was held on May 9, 2017, which is available on SEDAR at www.sedar.com. Other information relating to the REIT, including additional financial information contained in the REIT's consolidated financial statements and MD&A for the financial year ended December 31, 2017, may be obtained on SEDAR at www.sedar.com and on the REIT's website at www.ctreit.com.

GLOSSARY

“2015 Base Shelf Prospectus” has the meaning given to that term under *“General Development of the Business – Financing – Shelf Prospectus”* of this AIF.

“2015 Prospectus Supplement” has the meaning given to that term under *“General Development of the Business – Financing – Shelf Prospectus”* of this AIF.

“2016 Prospectus Supplement” has the meaning given to that term under *“General Development of the Business – Financing – Shelf Prospectus”* of this AIF.

“2017 Base Shelf Prospectus” has the meaning given to that term under *“General Development of the Business – Shelf Prospectus”* of this AIF.

“2017 Prospectus Supplement” has the meaning given to that term under *“General Development of the Business – Financing – Shelf Prospectus”* of this AIF.

“2018 Prospectus Supplement” has the meaning given to that term under *“General Development of the Business – Financing – Shelf Prospectus”* of this AIF.

“Acquired Issuer” has the meaning given to that term under *“Investment Guidelines and Operating Policies – Investment Guidelines”* of this AIF.

“Acquisition Agreement” means the agreement of purchase and sale among CTREL, the Partnership and CTC entered into on October 22, 2013 pursuant to which the REIT indirectly acquired the Initial Properties and CTC provided, among other things, certain representations and warranties and indemnities in respect of the Initial Properties to the REIT and the Partnership.

“Additional LP Units” means limited partnership units of the Partnership that may be created in the future, and **“Additional LP Unit”** means any one of them.

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

“AFFO” is a non-GAAP financial measure and has the meaning given to that term in Real Property Association of Canada’s white paper titled “White Paper on Funds From Operations & Adjusted Funds from Operations for IFRS” (the “White Paper on FFO & AFFO”) issued in February 2017. It is calculated as FFO subject to certain adjustments to remove the impact of recognizing property rental revenues or expenses on a straight-line basis, and the deduction of a reserve for normalized maintenance capital expenditures, tenant inducements and leasing commissions. See section 10.0 “Non-GAAP Measures” of the REIT’s MD&A for more information.

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

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

“Annual Fixed Distribution Rate” means with respect to a series of Class C LP Units, the annual fixed distribution rate applicable to a Subsequent Fixed Rate Period equal to the five-year Government of Canada bond yield determined by the Partnership on the thirtieth day prior to the beginning of the applicable Subsequent Fixed Rate Period plus the Spread.

“Associate Dealers” mean the independent business owners who operate Canadian Tire stores.

“Atlantic Canada” means the provinces of New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island.

“Bank Credit Facility” means the senior unsecured revolving credit facility in the amount of \$300 million made available to the Partnership on October 23, 2013 by a syndicate of lenders, as amended from time to time.

“Board” means the Board of Trustees of the REIT.

“Bridge Facility” has the meaning given to that term under *“General Development of the Business – Financing – Bridge Facility”* of this AIF.

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

“Canada Square” means the mixed-use commercial property located at 2180, 2190 and 2200 Yonge Street, Toronto, Ontario. References to Canada Square in this AIF means CT REIT’s one-third interest in Canada Square, unless the context otherwise requires.

“Canadian Tire Leases” means, collectively, the Canadian Tire store leases, Gas Bar Leases and the lease agreements between the Partnership and CTC for the distribution centres.

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

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

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

“Change of Control Offer” has the meaning given to that term under *“Indebtedness and Class C LP Units – Debentures – Repurchase upon Change of Control Triggering Event”* of this AIF.

“Change of Control ROFR” has the meaning given to that term under *“Risk Factors – Risk Factors Related to the REIT’s Relationship with CTC – Significant Ownership by CTC”* of this AIF.

“Class A LP Units” means, collectively, the Class A limited partnership units of the Partnership, and **“Class A LP Unit”** means any one of them.

“Class B LP Units” means, collectively, the Class B limited partnership units of the Partnership, and **“Class B LP Unit”** means any one of them.

“Class C LP Units” means, collectively, the Class C limited partnership units of the Partnership, and **“Class C LP Unit”** means any one of them.

“Class C Market Spread” means the sum of: (i) 0.05%; and (ii) the Debt Market Spread.

“Class D LP Units” means, the Class D limited partnership units of the Partnership, and **“Class D LP Unit”** means any one of them.

“Competitor” means a person who carries on business, or any person who controls or is controlled by such person, in one or more of the following categories: hardware, automotive, sporting goods, apparel and housewares.

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

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

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

“Consolidated Interest Expense” means the aggregate amount of interest expense of the REIT, adjusted in all cases for Proportionate Consolidation Adjustments in respect of Consolidated Indebtedness, capital lease obligations, the original issue discount (or, as applicable, premium) of any Consolidated Indebtedness issued at a price less than (or, as applicable, more than) the face amount thereof paid, accrued or scheduled to be paid or accrued during such period and, to the extent interest has been capitalized on projects that are under development or held for future development during the period, the amount of interest so capitalized (including Proportionate Consolidation Adjustments), all as determined on a consolidated basis in accordance with GAAP; provided that: (i) notwithstanding its presentation under GAAP all interest expense in respect of convertible debenture Indebtedness and Subordinated Indebtedness will be included at the face rate of interest thereon and, for the purpose of calculations made in respect of the Debt Securities, distributions paid on the Class C LP Units will be included; and (ii) for the avoidance of doubt, distributions in respect of the Class B LP Units will not be included in determining Consolidated Interest Expense.

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

“Consolidated Unsecured Indebtedness” means the Consolidated Indebtedness of the REIT at any date that is not secured in any manner by any lien as at such date, determined in accordance with GAAP and including Proportionate Consolidation Adjustments.

“CRA” means the Canada Revenue Agency.

“CRU” means commercial rental unit.

“CTC” means Canadian Tire Corporation, Limited together with its Subsidiaries (excluding the REIT and the REIT’s Subsidiaries), or, as the context requires, any of them.

“CTC Banner” means a CTC name or trademark, including the Canadian Tire, Mark’s and FGL banners, including Sport Chek, Sports Experts and Atmosphere, names or trademarks.

“CTC Distribution Centres” means the distribution centres leased from CT REIT to CTC.

“CTC Office” means offices occupied by CTC head office and located at Canada Square.

“CTFS” means CTFS Holdings Limited, a partially-owned Subsidiary of CTC.

“CTP” means Canadian Tire Gas+.

“CTR” means Canadian Tire retail.

“CTREL” means Canadian Tire Real Estate Limited, a wholly-owned Subsidiary of CTC.

“CT Re-Financing” means a debt, equity or similar financing, the proceeds of which are used to fund amounts due upon the redemption of Class C LP Units on the expiry of any Initial Fixed Rate Period, Subsequent Fixed Rate Period or Subsequent Floating Rate Period and/or upon the maturity of any debt owed by the REIT to CTC.

“CT Re-Financing Obligations” means: (i) if CTC withholds its consent to a CT Re-Financing, the proceeds of which is to fund amounts due upon a redemption of Class C LP Units proposed by the REIT, then the REIT may: (a) accept an offer from CTC to provide debt financing to the REIT in an aggregate amount necessary to fund such redemption and at the then prevailing market terms (with the interest rate on such debt calculated with reference to the Debt Market Spread) and redeem such Class C LP Units with the proceeds of such debt financing; or (b) elect, at its sole option, that the Annual Fixed Distribution Rate for the next Subsequent Fixed Rate Period or the floating distribution rate for each month during the next Subsequent Floating Rate Period, as applicable, shall be calculated by replacing the Spread with the “Class C Market Spread”, all in accordance with the terms of the Class C LP Units; and (ii) if CTC withholds its consent to a CT Re-Financing, the proceeds of which is to re-finance maturing debt issued by the REIT to CTC, then CTC shall accept Class C LP Units and/or provide debt to the REIT in an aggregate amount necessary to fund the re-financing of such maturing debt, to be allocated between Class C LP Units and debt at the discretion of CTC, in each case, on the then prevailing market terms (with the distribution rate on such Class C LP Units calculated with reference to the Class C Market Spread and the interest rate on such debt calculated with reference to the Debt Market Spread, as applicable).

“CT REIT” and the **“REIT”** means CT Real Estate Investment Trust and references in this AIF to “CT REIT” or the “REIT”, unless the context otherwise requires, refer to CT REIT and its Subsidiaries, including the Partnership, on a consolidated basis.

“DBRS” means DBRS Limited.

“DC” means a distribution centre.

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

“Debt Market Spread” means the arithmetic mean, expressed as a percentage, of the difference between: (i) the expected yield to maturity for publicly issued unsecured subordinated debentures issued

by the REIT with a five-year term to maturity if issued on the date of such determination; and (ii) the five-year Government of Canada bond yield on the date of such determination, as determined, in both cases, by three Schedule I Bank-owned investment dealers (if there are three Schedule I Bank-owned investment dealers); provided that the first such dealer shall be appointed by the Partnership, the second such dealer shall be appointed by the holder of the greatest principal amount of the applicable Series of Class C LP Units, and the third such dealer shall be jointly appointed by the first and second dealer.

“Debt Securities” means the senior unsecured debt securities of the REIT issued and certified from time to time pursuant to the Trust Indenture, as supplemented from time to time, either in bearer form, registered form or registered as to principal only and includes Global Debt Securities and Registered Debt Securities.

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

“Declaration of Trust” has the meaning given to that term under *“Corporate Structure – Overview”* of this AIF.

“Demand Distribution” has the meaning given to that term under *“Arrangements with CTC – Exchange Agreement – Registration Rights”* of this AIF.

“Demand Registration Right” has the meaning given to that term under *“Arrangements with CTC – Exchange Agreement – Registration Rights”* of this AIF.

“Development Agreement” means the development agreement among the REIT, the Partnership, CTREL and CTC entered into on October 23, 2013, as further described under *“Arrangements with CTC – Commercial Agreements with CTC – Development Agreement”* of this AIF.

“DRIP” means the distribution reinvestment plan of the REIT.

“Exchange Agreement” means the exchange agreement among the REIT, the Partnership, CTC, Canadian Tire Holdings I Limited Partnership and Canadian Tire Holdings II Limited Partnership entered into on October 22, 2013, as further described under *“Arrangements with CTC – Exchange Agreement”* of this AIF.

“FFO” is a non-GAAP financial measure and has the meaning given to it in the White Paper on FFO & AFFO. It is calculated as net income in accordance with GAAP, adjusted by removing the impact of: (i) fair value adjustments on investment properties; (ii) other fair value adjustments; (iii) gains and losses on the sale of investment properties; (iv) change in fair value of noncash compensation incentive plans; and (v) amortization of tenant incentives.

“FGL” means FGL Sports Ltd., a wholly-owned Subsidiary of CTC.

“Fifth Supplemental Indenture” means the indenture supplemental to the Trust Indenture dated June 16, 2017 and filed with Canadian securities regulatory authorities in connection with the REIT’s issuance of the Series E Debentures.

“First Supplemental Indenture” means the indenture supplemental to the Trust Indenture dated June 9, 2015 and filed with Canadian securities regulatory authorities in connection with the REIT’s issuance of the Series A Debentures.

“Fourth Supplemental Indenture” means the indenture supplemental to the Trust Indenture dated May 31, 2016 and filed with Canadian securities regulatory authorities in connection with the REIT’s issuance of the Series D Debentures.

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

“Gas Bar Leases” means the lease agreements entered into between the Partnership and CTC for gas bars located on the Properties.

“General Partner” has the meaning given to that term under *“Partnership – General”* of this AIF.

“GLA” means gross leaseable area.

“Global Debt Securities” means Debt Securities represented in the form of fully registered Global Debt Securities held by, or on behalf of, Canadian Depository for Securities (CDS).

“GP Interest” means the General Partner’s general partner interest in the Partnership.

“GP Unit” means a unit representing the GP Interest.

“Gross Book Value” means at any time the total assets of the REIT as shown in its then most recent consolidated balance sheet.

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

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

“Indemnity Agreement” means the indemnity agreement among CTC, the REIT and the Partnership entered into on October 23, 2013 pursuant to which CTC indemnified the REIT for any breach of the representations and warranties in the Acquisition Agreement, as further described under *“Arrangements with CTC – Indemnity Agreement”* of this AIF.

“Indenture Trustee” means BNY Trust Company of Canada or its successor or successors for the time being as trustee under the Trust Indenture.

“Independent Trustee” means a Trustee who is “independent” pursuant to National Instrument 58-101 — *Corporate Governance Guidelines*, and where in reference to a member of the Audit Committee, a Trustee who is also “independent” pursuant to National Instrument 52-110 — *Audit Committees*.

“Initial Fixed Rate Period” has the meaning given to that term under “*Partnership — Class C LP Units*” of this AIF.

“Initial Properties” means the portfolio of 256 properties, consisting of 255 retail properties across Canada and one distribution centre that CT REIT indirectly acquired through the Partnership from CTC on October 23, 2013 in connection with the Initial Public Offering.

“Initial Public Offering” means the distribution to the public of Units pursuant to the REIT’s final prospectus dated October 10, 2013, which closed on October 23, 2013.

“Issued Securities” has the meaning given to that term under “*Arrangements with CTC – Exchange Agreement – Pre-Emptive Rights*”, and **“Issued Security”** means any one of them.

“Lease ROFO” means the right of first offer granted by the REIT to CTC until the end of the lease term (including any exercised extension with CTC which provides that if the REIT wishes to sell or otherwise dispose of a property or any interest therein, that was acquired from CTC or all or part of which is leased by CTC pursuant to a Canadian Tire Lease, the REIT shall first provide an offer to CTC setting out the price and material terms and conditions of the proposed sale or other disposition. CTC will have up to 30 days to either: (i) notify the REIT of its acceptance, in the form of an executed non-binding letter of intent; or (ii) provide the REIT with a minimum reserve price, which must be equal to or less than the REIT’s offer price, below which price the REIT will be unable to complete the proposed transaction.

“Lease ROFR” means the right of first refusal granted by the REIT to CTC, until the end of the lease term (including any exercised extension) with CTC which provides that if the REIT receives a *bona fide* offer from a Competitor to purchase or otherwise acquire one or more properties or any interest therein, all or part of which is leased or was leased to CTC pursuant to a Canadian Tire Lease, the REIT shall provide such offer to CTC and CTC shall have 10 business days to agree to match such offer by notice to the REIT.

“License Agreement” means the trade-mark license agreement among the REIT, the Partnership and CTC entered into on October 23, 2013.

“Limited Partners” means CT REIT, CTREL, Canadian Tire Holdings II Limited Partnership, Canadian Tire Holdings III Limited Partnership and Canadian Tire Holdings IV Limited Partnership, and **“Limited Partner”** means any one of them.

“Limited Partnership Agreement” has the meaning given to that term under “*Partnership – General*” in this AIF.

“Mark’s” means Mark’s Work Wearhouse Ltd., a wholly-owned Subsidiary of CTC.

“MD&A” has the meaning given to that term under “*Forward-Looking Information*” in this AIF.

“Non-Competition and Non-Solicitation Agreement” means the non-competition and non-solicitation agreement among CT REIT, the Partnership and CTC entered into on October 23, 2013, as further described under “*Arrangements with CTC – Commercial Agreements with CTC – Non-Competition and Non-Solicitation Agreement*” of this AIF.

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

“Other CTC Banners” means Mark’s and various FGL banners, including Sport Chek, Sports Experts and Atmosphere, and **“Other CTC Banner”** means any one of them.

“Partnership” means CT REIT Limited Partnership, a limited partnership existing under the *Limited Partnership Act* (Ontario).

“Partnership Units” means partnership units in the capital of the Partnership, and **“Partnership Unit”** means any one of them.

“Permitted Indebtedness” means:

(i) Indebtedness of: (a) the REIT owed to any of its Subsidiaries; and (b) any Subsidiary of the REIT owed to the REIT and/or another of the REIT’s Subsidiaries (each of the entities in (a) and (b) being for this purpose a **“related entity”**), provided, however, that the provisions of this subsection (i) will no longer be applicable, (A) upon the subsequent transfer or other disposition of such Indebtedness to any person that is not a related entity, to the amount that was so transferred or otherwise disposed of to such other person; or (B) in the case of Indebtedness of the REIT owed to any of its Subsidiaries, upon the subsequent issuance or disposition of common shares, units or equivalent equity securities (including, without limitation, by consolidation or merger) of such Subsidiary which results in such Subsidiary ceasing to be a Subsidiary of the REIT (and thereby for this purpose a **“third party”**), to the amount of such Indebtedness equal to the product obtained by multiplying the amount of such Indebtedness by the percentage of common shares, units or equivalent equity securities of the third party owned immediately after such issuance or disposition of such common shares, units or equivalent equity securities by persons other than the REIT or one of its Subsidiaries, and, in each case, such amount of such Indebtedness will be deemed for the purpose of the calculation of the Indebtedness Percentage to have been incurred at the time of such transfer, issuance or disposition; and

(ii) Indebtedness of the REIT or any of its Subsidiaries which is incurred or the proceeds of which are used to renew, extend, repay, redeem, purchase, refinance or refund (each a **“refinancing”**) any Indebtedness of the REIT or any of its Subsidiaries outstanding as of the date hereof or permitted to be incurred hereunder, provided, however, that: (a) the Indebtedness which is incurred will not exceed the aggregate principal amount of all Indebtedness which is so refinanced at such time, plus the amount of any premium required to be paid in connection with such refinancing pursuant to the terms of the Indebtedness which is so refinanced or the amount of any premium reasonably determined by the REIT or the relevant Subsidiary as necessary to accomplish such refinancing by means of a tender offer or privately negotiated agreement, plus the expenses of the REIT and the relevant Subsidiary incurred in connection with such refinancing; and (b) the Indebtedness which is incurred, the proceeds of which are used to refinance the Series A Debentures or Indebtedness of the REIT or any of its Subsidiaries which ranks equally and rateably with the Series A Debentures or Indebtedness of the REIT or any of its Subsidiaries which is subordinate in right of payment to the Series A Debentures, will only be permitted if, in the case of any refinancing of the Series A Debentures or Indebtedness of the REIT or any of its Subsidiaries which ranks equally and rateably with the Series A Debentures, the Indebtedness which is incurred is made equal and rateable to the Series A Debentures, or subordinated to the Series A Debentures and, in the case of any refinancing of the Indebtedness of the REIT or any of its Subsidiaries which is subordinate to the Series A Debentures, the Indebtedness which is incurred is made subordinate to the Series A Debentures at least to the same extent as is such Indebtedness which is being refinanced.

“Piggy-Back Distribution” has the meaning given to that term under *“Arrangements with CTC – Exchange Agreement – Registration Rights”* of this AIF.

“Piggy-Back Registration Right” has the meaning given to that term under *“Arrangements with CTC – Exchange Agreement – Registration Rights”* of this AIF.

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

“Properties” has the meaning given to that term under *“Description of the Business – Overview of the Property Portfolio”* of this AIF, and **“Property”** means any one of them.

“Properties Under Development” means those properties being developed and includes: (i) the development of vacant land and construction; (ii) intensification activities, consisting of the construction of additional buildings on existing assets and modifications to existing stores; and (iii) the redevelopment of a property.

“Property Management Agreement” means the property management agreement among the Partnership, CTC and CTREL entered into on October 23, 2017, as further described under *“Arrangements with CTC – Commercial Agreements with CTC – Property Management Agreement”* of this AIF.

“Property Management Services” means the services to be provided by CTC to the Partnership pursuant to the Property Management Agreement, as described under *“Arrangements with CTC – Commercial Agreements with CTC – Property Management Agreement”* of this AIF.

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

“Registered Debt Securities” means Debt Securities which are registered as to principal and interest, and include, as the context requires, Global Debt Securities.

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

“Reimbursement Distribution Amount” has the meaning given to that term under *“Partnership – Distributions”* in this AIF.

“REIT Exception” means the exclusion from the definition of “SIFT trust” in the Tax Act for a trust qualifying as a “real estate investment trust” under the Tax Act.

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

“ROFO” means right of first offer.

“ROFO Agreement” means the right of first offer agreement among the REIT, the Partnership and CTC entered into on October 23, 2013, as described under *“Arrangements with CTC – Commercial Agreements with CTC”* of this AIF.

“ROFR” means right of first refusal.

“S&P” means S&P Global Ratings acting through Standard & Poor’s Ratings Services (Canada), a business unit of S&P Global Canada Corp.

“Second Supplemental Indenture” means the indenture supplemental to the Trust Indenture dated June 9, 2015 and filed with Canadian securities regulatory authorities in connection with the REIT’s issuance of the Series B Debentures.

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

“**Series A Debentures**” has the meaning given to that term under “*General Development of the Business – Financing – Shelf Prospectus*” of this AIF.

“**Series B Debentures**” has the meaning given to that term under “*General Development of the Business – Financing – Shelf Prospectus*” of this AIF.

“**Series C Debentures**” has the meaning given to that term under “*General Development of the Business – Financing – Shelf Prospectus*” of this AIF.

“**Series D Debentures**” has the meaning given to that term under “*General Development of the Business – Financing – Shelf Prospectus*” of this AIF.

“**Series E Debentures**” has the meaning given to that term under “*General Development of the Business – Financing – Shelf Prospectus*” of this AIF.

“**Series F Debentures**” has the meaning given to that term under “*General Development of the Business – Financing – Shelf Prospectus*” of this AIF.

“**Services**” has the meaning given to that term under “*Arrangements with CTC – Commercial Agreements with CTC – Services Agreement*” of this AIF.

“**Services Agreement**” means the services agreement among the REIT, the Partnership and CTC entered into on October 23, 2013 pursuant to which CTC or certain of its Subsidiaries provide the Services, as further described under “*Arrangements with CTC – Commercial Agreements with CTC – Services Agreement*” of this AIF.

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

“**Sixth Supplemental Indenture**” means the indenture supplemental to the Trust Indenture dated February 7, 2018 and filed with Canadian securities regulatory authorities in connection with the REIT’s issuance of the Series F Debentures.

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

“**Spread**” means the amount equal to the five-year Government of Canada bond yield plus 200 basis points.

“**Subordinated Indebtedness**” means Indebtedness of the REIT (or its successor): (i) that is expressly subordinate in right of payment to the Debt Securities and the obligations of the REIT and its Subsidiaries under its revolving credit facilities; and (ii) in connection with the issuance of which each Specified Rating Agency (as defined in the Trust Indenture) confirms in writing that its rating, if any, for the Debt Securities upon the issuance of the Indebtedness will be at least equal to the rating accorded to the Debt Securities immediately prior to the issuance of the Indebtedness.

“**Subsequent Fixed Rate Period**” means with respect to a series of the Class C LP Units, any five-year fixed rate period beginning immediately following the completion of the Initial Fixed Rate Period for each series and each five-year fixed rate period thereafter.

“**Subsequent Floating Rate Period**” means with respect to a series of the Class C LP Units, any five-year floating rate period beginning immediately following the completion of the Initial Fixed Rate Period for each series and each five-year floating rate period thereafter.

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

“Supplemental Indentures” means an indenture supplemental to the Trust Indenture pursuant to which, among other things, a series of Debt Securities may be issued in accordance with the terms of the Trust Indenture, and includes, collectively, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture and the Sixth Supplemental Indenture.

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

“TBD” means to be determined.

“Third Supplemental Indenture” means the indenture supplemental to the Trust Indenture dated May 31, 2016 and filed with Canadian securities regulatory authorities in connection with the REIT’s issuance of the Series C Debentures.

“Trust Indenture” means the trust indenture dated June 9, 2015 between CT Real Estate Investment Trust and BNY Trust Company of Canada, as supplemented by the Supplemental Indentures.

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

“TSX” means the Toronto Stock Exchange.

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

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

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

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

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

“Western Canada” means the provinces of British Columbia, Alberta, Saskatchewan and Manitoba, and the Northwest Territories and Yukon Territory.

SCHEDULE A

CT REAL ESTATE INVESTMENT TRUST AUDIT COMMITTEE CHARTER

1.0 Introduction

This charter (the “**Charter**”) sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the “**Committee**”) of the Board of Trustees (the “**Board**”) of CT Real Estate Investment Trust (the “**REIT**”).

2.0 Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight accountabilities with respect to:

- (a) the integrity of the REIT’s financial statements;
- (b) the REIT’s compliance with applicable laws and regulations;
- (c) the qualifications, independence and performance of the REIT’s external auditor (the “**Auditor**”);
- (d) risk management;
- (e) internal control over financial reporting and disclosure controls and procedures;
- (f) the effectiveness of oversight functions including, but not limited to, the REIT’s internal audit and risk management functions; and
- (g) performing such other duties as set out in this Charter or otherwise delegated to the Committee by the Board.

3.0 Composition and Membership

- (a) The Committee shall be comprised of at least three trustees, a majority of whom shall be residents of Canada. Each Committee member shall meet the criteria for independence and financial literacy established by applicable laws and the rules of any stock exchanges upon which the REIT’s securities are listed, including National Instrument 52-110 – Audit Committees, as the same may be amended from time to time.
- (b) Committee members shall be appointed or reappointed annually by the Board on the recommendation of the Governance, Compensation and Nominating (“**GCN**”) Committee and from time to time thereafter to fill vacancies. Each member shall continue to be a Committee member until a successor is appointed, unless the member resigns, is removed or ceases to be a trustee. A Committee member may be removed or replaced, at any time, at the discretion of the Board.
- (c) Each year the Board shall appoint or reappoint one Committee member to be the chairman of the Committee (the “**Chairman**”). If, in any year, the Board does not appoint a Chairman, the incumbent Chairman will continue in office until a successor is appointed. The Chairman will serve in such capacity in accordance with the terms of the Committee Chairman position description. The Committee shall review and assess the adequacy of Chairman’s position description at least every three years and recommend changes, if any, to the GCN Committee for its approval.

- (d) The secretary or assistant secretary of the REIT, or any person acting in a similar capacity (the “**Secretary**”), will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. If the Secretary is not in attendance at any meeting, the Committee will appoint another person who may, but need not, be a Committee member to act as the secretary of that meeting.

4.0 Meetings and Operating Procedures

- (a) The Committee shall meet at least four times annually and as many additional times as required to carry out its duties effectively. Committee meetings shall be held at the call of the Chairman, upon the request of the Chief Executive Officer (the “**CEO**”), the Chief Financial Officer (the “**CFO**”) or any Committee member or upon the request of the Auditor by giving the requisite notice in accordance with the Declaration of Trust dated October 22, 2013, as amended from time to time (“**Declaration of Trust**”). A majority of the members of the Committee shall constitute a quorum.
- (b) In accordance with the Declaration of Trust, the powers of the Committee may be exercised at a meeting at which a quorum of the Committee is present in person or by telephone or other electronic means or by resolution signed by all Committee members entitled to vote on that resolution at a meeting of the Committee. Each Committee member (including the Chairman) is entitled to one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chairman will not have a deciding or casting vote in the case of an equality of votes.
- (c) The Committee may invite, from time to time, such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee, and any trustee who is not a Committee member is entitled to attend Committee meetings.
- (d) In accordance with the Declaration of Trust, in the absence of the Committee Chairman, the Committee members shall appoint an acting chairman.
- (e) In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the members of the Committee and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of the REIT to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.
- (f) At each Committee meeting, the Committee shall meet *in camera* with the Auditor, with the head of the REIT’s internal audit function, with management and with members of the Committee only.

5.0 Duties and Responsibilities

The duties and responsibilities of the Committee as they relate to the following matters are as follows:

5.1 Financial Reporting and Disclosure

- (a) review the annual and quarterly financial statements with management and with the Auditor to gain reasonable assurance that the financial statements present fairly, in all material respects, in accordance with Canadian Generally Accepted Accounting Principles (“**GAAP**”) (which includes International Financial Reporting Standards), the REIT’s financial position, results of operations and cash flows and together with management’s discussion and analysis and associated officer certifications constitute a fair presentation of the REIT’s financial condition and report thereon to the Board before such financial statements are

approved by the Board;

- (b) receive from the Auditor reports on their review of the annual and quarterly financial statements;
- (c) receive from management a copy of the representation letter provided to the Auditor and any additional representations required by the Committee;
- (d) review and, if appropriate, recommend to the Board for approval all public disclosure documents containing material audited or unaudited financial information, including prospectuses or other offering or public disclosure documents, annual information forms, annual reports to unitholders, material change disclosures of a financial nature, annual and interim management's discussion and analysis, annual and interim CEO/CFO certifications of results, financial related releases, earnings guidance and associated news releases. In circumstances where events render it impractical for the Board or the Audit Committee to review any such news releases with management prior to issuing or filing such news releases, authority to review and approve such news releases may be exercised by the Chairman and the Chairman of the Board, acting together;
- (e) review with management, and the Auditor, significant accounting principles and disclosure issues and alternative treatments under GAAP which includes International Financial Reporting Standards as issued by the International Accounting Standards Board, all with a view to gaining reasonable assurance that financial statements are accurate, complete, and present fairly the REIT's financial position and results of its operations in accordance with GAAP;
- (f) satisfy itself that adequate procedures are in place for the review of the REIT's public disclosure of financial information extracted or derived from the REIT's financial statements or other sources and periodically assess the adequacy of those procedures;
- (g) review regularly with management, the Auditor and if necessary legal counsel, any legal claim or other contingency including tax assessments, that could have a material effect upon the financial position or operating results of the REIT and the manner in which these matters have been disclosed in the financial statements;
- (h) satisfy itself that appropriate accounting policies and practices have been selected and applied consistently and consider any changes in such policies or practices and their impact on the financial statements of the REIT;
- (i) discuss with management and the Auditor correspondence with regulators or major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the accounts of the REIT and its subsidiaries; and
- (j) satisfy itself that management has developed and implemented a system to ensure that the REIT meets its continuous disclosure obligations.

5.2 Enterprise Risk Management

- (a) review and, if appropriate, recommend to the Board for approval, the enterprise risk management policy and the REIT's principal risks;
- (b) review and receive reporting on the REIT's enterprise risk management program, including the adequacy of its risk management policies, procedures and processes with respect to risk identification, assessment and the management of the REIT's principal risks. The Committee shall periodically report to the Board on any major issues and, if appropriate, make recommendations with respect to the risk management policies and procedures;

- (c) oversee the process by which the principal risks are reviewed by either the Committee, another committee of the Board or the Board on a periodic basis; and
- (d) review the adequacy of insurance coverage maintained by the REIT.

5.3 *Internal Controls and Internal Audit*

- (a) review the mandate, resourcing, annual plan and organizational structure of the internal audit function to ensure it is independent of management and has sufficient resources to carry out its mandate. The Committee will receive confirmation from the head of the internal audit function that (i) all significant internal audit issues and the status regarding previously reported internal audit issues have been brought to its attention, and (ii) the integrity of the REIT's internal control framework, including its management information systems, is satisfactory;
- (b) review the adequacy and effectiveness of the REIT's internal controls over financial reporting and disclosure controls and procedures through discussions with management, the head of the internal audit function and the Auditor to ensure that the REIT maintains: (i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect the REIT's transactions; (ii) effective internal control systems; (iii) adequate processes for assessing the risk of material misstatement of the financial statements and other disclosure documents; and (iv) adequate procedures for detecting fraud;
- (c) satisfy itself, through discussion with management, that the adequacy of internal controls, systems and procedures has been periodically assessed in order to ensure compliance with regulatory requirements and recommendations;
- (d) review the plans and reports of internal audit and the Auditor to gain reasonable assurance that the combined evaluation and testing of internal financial controls is comprehensive, coordinated and cost-effective;
- (e) review and discuss the REIT's major financial risk exposures with management and the steps taken to monitor and control such exposures including the use of any financial derivatives and hedging activities; and
- (f) provide feedback on the adequacy of the internal audit services provided by the service provider.

5.4 *External Audit*

- (a) recommend to the Board the nomination of the Auditor, the remuneration and the terms of engagement of the Auditor;
- (b) review the performance of the Auditor annually or more frequently as required;
- (c) augment the annual performance assessment of the Auditor by performing a comprehensive review of such Auditor every five years or more frequently as required, resulting in a recommendation to either retain or replace the Auditor;
- (d) establish and maintain a direct line of communication with the Auditor and the head of the internal audit function;
- (e) review the independence of the Auditor including a written report from the Auditor respecting its independence; such report to include a disclosure of all engagements (and fees related thereto) for non-audit services to the REIT;

- (f) review the annual audit plan of the Auditor prior to the commencement of the audit;
- (g) establish effective communication processes with management and the Auditor to assist the Committee in objectively monitoring the quality and effectiveness of the relationship among the Auditor, management and the Committee;
- (h) review the results of the external audit and the report thereon including, without limitation, a discussion with the Auditor as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of the REIT, and the ramifications of their use as well as any other material changes. Review all material written communication between management and the Auditor such as management letters and schedules of unadjusted differences;
- (i) oversee the work of the Auditor and the resolution of disagreements between management and the Auditor with respect to financial reporting;
- (j) meet regularly with the Auditor in the absence of management to determine, *inter alia*, that no management restrictions have been placed on the scope and extent of the audit examinations by the Auditor or the reporting of their findings to the Committee;
- (k) discuss with the Auditor its perception of the quality and sufficiency of the REIT's financial and accounting personnel, records and systems, the cooperation which the Auditor received during the course of its review, the availability of records, data and other requested information and any recommendations with respect thereto, and the nature and extent of coordination between the Auditor and the internal audit function; and
- (l) review annually a report from the Auditor in respect of its internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the Auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the Auditor, and any steps taken to deal with any such issues.

5.5 Compliance with Laws

- (a) review regular reports from management and others (e.g. internal audit and the Auditor) with respect to the REIT's compliance with laws and regulations having a material impact on the financial statements;
- (b) review the status of taxation matters of the REIT;
- (c) approve a Code of Business Conduct that is comprised of standards reasonably designed to promote integrity and review reports from the internal auditor, the Auditor and/or other committees' chairmen on their review of compliance with the REIT's Code of Business Conduct; and
- (d) discuss with legal counsel any significant legal, compliance or regulatory matters that may have a material effect on the financial statements or business affairs of the REIT, or on the compliance policies of the REIT.

5.6 Compliance with Policies

- (a) review regular reports from management and others (e.g. internal audit) with respect to the REIT's compliance with all Board level policies that manage financial risk, and any corporate operating directives issued under such policies, that have been approved by the Board from time to time including the Board level policies set out in Appendix A to this Charter; and
- (b) review proposed changes to all Board level policies that manage financial risk from time to time.

5.7 Associated Responsibilities

- (a) establish procedures for:
 - (i) the confidential receipt, retention and treatment of complaints received by the REIT regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission, retention and treatment of concerns by trustees, officers and employees of the REIT regarding questionable accounting and auditing practices;
- (b) review and approve the REIT's hiring policies regarding employees and partners, and former employees and partners, of the present and former Auditor.

6.0 Non-Audit Services

Pre-approve all non-audit services to be provided to the REIT or any subsidiary entities by its Auditor in accordance with the pre-approval policies and procedures established by the Committee. The Committee may delegate to the Chairman the authority to pre-approve non-audit services for any non-audit engagements that do not exceed \$100,000 in estimated fees, but pre-approval by the Chairman shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

7.0 Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that REIT's financial statements are complete and accurate or comply with GAAP and other applicable requirements. These are the responsibilities of management (including the oversight functions) and the Auditor. The Committee, the Chairman and any Committee members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the REIT, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Committee member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a member who is identified as having accounting or related financial expertise, like the role of all Committee members, is to oversee the process, not to certify or guarantee the internal or external audit of the REIT's financial information or public disclosure.

8.0 Reporting

The Chairman will report to the Board, at each Board meeting, on the Committee's activities since the last Board meeting. The Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

9.0 Access to Information and Authority

The Committee will be granted unrestricted access to all information regarding the REIT that is necessary or desirable to fulfill its duties and all trustees, officers and employees will be directed to cooperate as requested by members of the Committee.

The Committee has the authority to retain, at the REIT's expense, independent legal, financial and other advisors, consultants and experts to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board. The Committee also has the authority to communicate directly with the head of the internal audit function and the Auditor.

10.0 Review of Assessment of this Charter, the Committee and the Committee's Compliance with this Charter

- (a) The Committee will review and assess this Charter at least every three years taking into account all applicable legislative, regulatory and industry requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the REIT has a reporting relationship and, if appropriate, submit amendments to the GCN Committee for consideration and for recommendation to the Board for its approval with such further amendments as proposed by the GCN Committee. Notwithstanding the foregoing, the authority to approve minor technical amendments to this Charter is delegated to the Secretary, who will report any such amendments to the Committee and the Board at their next regular meetings.
- (b) On a biennial basis, the Committee will conduct a review and evaluation of the Committee's performance, including its ability to meet the requirements of this Charter in accordance with the evaluation process developed and approved by the GCN Committee, and provide the results of the performance evaluation to the GCN Committee and the Board.
- (c) From time to time, the Committee will disclose this Charter as required by applicable securities laws and regulations.
- (d) The Committee will annually review and approve a report of the Committee's activities for inclusion in the REIT's management information circular.

Dated: August 2, 2016

Approved by: Board of Trustees

APPENDIX A

Disclosure Board Policy

Enterprise Risk Management Board Policy

Environmental Policy

Ethical Business Conduct Board Policy

Financial Risk Management Board Policy

Securities Trading and Reporting Board Policy

SCHEDULE B

Summary

(in square feet)	Canadian Tire Stores	Canadian Tire Office	Other CTC Banners	Other ⁽¹⁾	Canadian Tire Distribution Center	Total
Single Tenant Properties	16,386,487	-	-	89,453	-	16,475,940
Properties Anchored by a Canadian Tire Store with Additional Third Party Tenants	3,629,630	-	323,645	900,536	-	4,853,811
Properties with Third Party Tenants not Anchored by a Canadian Tire Store	-	-	124,758	199,113	-	323,871
Properties Anchored by Canadian Tire Office with Additional Third Party Tenants ⁽²⁾	-	150,879	-	130,401	-	281,280
Distribution Centres	-	-	-	232,037	3,682,834	3,914,871
Total	20,016,117	150,879	448,403	1,551,540	3,682,834	25,849,773

Notes:

- (1) Includes third party tenant GLA and vacant GLA.
(2) CT REIT's one-third interest in Canada Square.

Single Tenant Properties

Property	Year Built	Year Last Renovated ⁽⁴⁾	Canadian Tire GLA (Sq. ft.)	Third Party GLA (Sq. Ft.)	Year of Expiry of Lease
British Columbia					
2000 Columbia Avenue, Castlegar	1995	2015	67,585	-	2027
7560 Vedder Road, Chilliwack	1999	2010	64,539	-	2026
11628 8th Street, Dawson Creek	2000	2014	56,586	-	2026
1791 9th Avenue, Fernie	2006	2010	51,049	-	2030
480 Sarah Road, Invermere	2012	N/A	28,670	-	2028
1441 Hillside Drive, Kamloops	1982	2015	62,368	-	2025
944 8th Street, Kamloops ⁽¹⁾	1982	2013	24,338	-	2024
1655 Leckie Road, Kelowna	1997	2009	84,822	-	2029
6312 200th Street, Langley	1998	2012	88,266	-	2027
2761 Forksdale Avenue, Merritt	2004	2017	44,575	-	2028
32545 London Avenue, Mission	2003	2010	40,621	-	2028
960 Railway Street, Penticton	1997	2015	64,092	-	2030
5008 Domano Boulevard, Prince George ⁽¹⁾	2003	2009	96,197	-	2027
570 Newman Road, Quesnel	1999	2017	30,358	-	2024
4380 Sunshine Coast Highway, Sechelt	2002	2011	37,082	-	2026
3221 Highway 16, Smithers	2000	2016	38,835	-	2028
1851 Mamquam Road, Squamish	2001	2014	35,099	-	2031

Property	Year Built	Year Last Renovated ⁽⁴⁾	Canadian Tire GLA (Sq. ft.)	Third Party GLA (Sq. Ft.)	Year of Expiry of Lease
5100 Yellowhead Highway, Terrace	1997	2010	64,164	-	2027
8238 Highway 3B, Trail	2005	2017	49,121	-	2029
855 Langford Parkway, Victoria	1998	2012	67,687	-	2032
British Columbia Sub-Total			1,096,054	-	
Alberta					
2913 48th Avenue, Athabasca	2008	2017	46,368	-	2027
98 Banff Avenue, Banff ⁽²⁾	1990-1999	N/A	-	13,507	2026
404 Cassils Road W, Brooks	2007	2012	45,977	-	2027
1230 9 Avenue SE, Calgary	-	N/A	-	5,857	2026
5200 Richmond Road SW, Calgary ⁽¹⁾	1978	2010	72,996	-	2025
250 Shawville Way SE, Calgary ⁽¹⁾	1997	2012	89,129	-	2033
16-6601 48th Avenue, Camrose	2012	N/A	64,664	-	2027
6703 51 Street, Cold Lake	1993	2008	56,312	-	2027
100 650 South Railway Avenue E, Drumheller	1999	2012	31,183	-	2034
6150 28 Avenue NW, Edmonton	1992	N/A	-	8,053	2026
9903 82 Avenue NW, Edmonton	1950-1959	N/A	-	6,038	2026
3924 118 Avenue NW, Edmonton	1950-1959	N/A	-	6,601	2026
9603 162 Avenue, Edmonton	2002	2010	64,786	-	2027
2110 101 Street NW, Edmonton ⁽²⁾	2015	N/A	198,027	-	2035
9909 178 Street, Edmonton	1998	2009	94,106	-	2024
6014 Currents Drive NW, Edmonton ⁽²⁾	2010	2015	100,019	-	2029
11839 Kingsway Avenue NW, Edmonton ⁽¹⁾	1999	2012	77,022	-	2027
5919 - 2nd Avenue, Edson ⁽¹⁾	2014	N/A	39,481	-	2031
9510 86th Avenue, Fort Saskatchewan ⁽²⁾	2003	2011	51,860	-	2030
9933 100 Avenue, Grande Prairie	1980-1989	N/A	-	13,358	2026
1 Gateway Boulevard, High Level	2012	N/A	28,676	-	2030
868 Carmichael Lane, Hinton	1996	2011	36,016	-	2030
4215 70th Avenue, Lloydminster ⁽¹⁾	1999	2010	65,109	-	2023
1971 Strachan Road SE, Medicine Hat	2008	2015	115,949	-	2033
600-6900 46th Street, Olds	2007	2015	67,535	-	2026
2510 Gaetz Avenue, Red Deer	1992	2013	84,755	-	2024
5440 46th Street, Rocky Mountain House	2005	2017	47,247	-	2027
101-1500 Main Street SW, Slave Lake	2005	2011	45,995	-	2026
38 Mcleod Avenue, Spruce Grove	1992	2015	95,909	-	2027
40 Bellerose Drive, St. Albert ⁽¹⁾	1995	2012	101,034	-	2027
3929 49th Avenue, St. Paul	2009	2015	44,856	-	2024
6607 50th Avenue, Stettler	2009	N/A	28,783	-	2027
109 Pine Road, Strathmore	2004	2017	39,721	-	2030
200-62 Thevenaz Industrial Trail, Sylvan Lake	2011	N/A	59,143	-	2027
6623 Highway 16A W, Vegreville	2008	2017	52,734	-	2025
2801 13th Avenue, Wainwright	2007	2015	45,804	-	2030
3851 56 Street, Wetaskiwin	2006	2015	53,639	-	2034

Property	Year Built	Year Last Renovated ⁽⁴⁾	Canadian Tire GLA (Sq. ft.)	Third Party GLA (Sq. Ft.)	Year of Expiry of Lease
Alberta Sub-Total			2,044,835	53,414	
Saskatchewan					
200 King Street, Estevan	1999	2010	38,931	-	2033
2302 8th Avenue, Humboldt	2009	N/A	28,677	-	2033
300 Stonegate Road, Melfort	2010	N/A	28,622	-	2031
655 Albert Street, Regina ⁽¹⁾	1996	2012	100,480	-	2032
2325 Prince of Wales Drive, Regina	2006	2014	98,583	-	2032
1731 Preston Avenue N, Saskatoon ⁽²⁾	2002	2015	88,942	-	2030
1240 Sims Avenue, Weyburn	2004	N/A	39,659	-	2032
Saskatchewan Sub-Total			423,894	-	
Manitoba					
170 Provincial Trunk, Flin Flon	2003	2013	38,607	-	2027
2445 Saskatchewan Avenue W, Portage La Prairie	1999	2010	38,162	-	2025
131 PTH 12 N, Steinbach	1995	2010	58,537	-	2026
3615 Portage Avenue, Winnipeg	2001	2009	72,051	-	2028
Manitoba Sub-Total			207,357	-	
Northwest Territories					
328 Old Airport Road, Yellowknife	2001	2014	65,054	-	2027
Western Canada Sub-Total			3,837,194	53,414	
Ontario					
400 Main Street S, Alexandria	1984	2013	17,332	-	2024
110 Young Street, Alliston	1997	2015	66,532	-	2028
605 John Street, Alymer	1999	2015	30,999	-	2031
380 Sandwich Street S, Amherstburg	1995	2013	44,261	-	2024
1060 Wilson Street W, Ancaster	2000	2016	68,951	-	2024
341 Hastings Street N, Bancroft	1994	2010	48,779	-	2029
2000 Green Road, Bowmanville	2011	N/A	125,981	-	2033
450 Muskoka Road, Bracebridge	1992	2014	51,344	-	2032
430 Holland Street W, Bradford ⁽¹⁾	2004	2017	59,542	-	2029
2850 Queen Street E, Brampton	2000	2009	85,887	-	2034
10 Great Lakes Drive, Brampton	1999	2009	83,022	-	2033
10031 McLaughlin Road, Brampton ⁽¹⁾	2004	2015	64,277	-	2029
2360 Parkedale Avenue, Brockville	1995	2011	70,436	-	2023
2070 Appleby Line, Burlington	1999	2012	63,899	-	2029
65 Pinebush Road, Cambridge	2011	N/A	129,914	-	2033
130 Grand Road, Campbellford	1998	2013	28,410	-	2031
485 McNeeley Avenue, Carleton Place	1999	2010	48,417	-	2026
95 LaFleche Boulevard, Casselman	2001	2011	42,466	-	2031
3595 Highway 144, Chelmsford ⁽¹⁾	1993	2011	70,877	-	2029

Property	Year Built	Year Last Renovated ⁽⁴⁾	Canadian Tire GLA (Sq. ft.)	Third Party GLA (Sq. Ft.)	Year of Expiry of Lease
201 Highway 11 W, Cochrane ⁽¹⁾	2008	N/A	29,312	-	2031
201 9th Street E, Cornwall ⁽¹⁾	1996	2010	88,522	-	2029
33277A Highway 17 W, Deep River ⁽¹⁾	2008	2008	36,497	-	2031
1002 Broad Street, Dunnville	2003	2011	38,876	-	2031
50 Hillside Drive S, Elliot Lake ⁽¹⁾	1978	2011	20,561	-	2024
325 Arthur Street S, Elmira	2017	N/A	34,784	-	2032
801 Centre Street, Espanola	1994	2010	48,724	-	2026
300 Maidstone Avenue W, Essex	2004	2015	47,033	-	2029
1608 The Queensway, Etobicoke ⁽¹⁾	2002	2011	100,621	-	2033
100 Thames Road E, Exeter	1999	2016	30,623	-	2032
160 Lindsay Street, Fenelon Falls	1992	2012	18,890	-	2026
950 Tower Street S, Fergus	1997	2011	36,813	-	2029
240 Garrison Road, Fort Erie	1997	2010	36,781	-	2028
1000 Kings Highway, Fort Frances	2004	N/A	55,737	-	2031
127 Stone Road W, Guelph ⁽²⁾	2001	2012	84,228	-	2030
10 Woodlawn Road, Guelph ⁽¹⁾	1996	2013	52,864	-	2034
304 Main Street E, Hamilton ⁽¹⁾	1934	2013	15,286	-	2024
2160 Rymal Road East, Hamilton	2016	N/A	60,827	-	2031
5206 Highway 69 N, Hanmer ⁽¹⁾	2006	2010	52,982	-	2029
896 10th Street, Hanover ⁽¹⁾	1998	2016	43,319	-	2031
1525 Camerson St., Hawkesbury	1994	2013	65,848	-	2030
1330 Front Street, Hearst ⁽¹⁾	2008	N/A	36,497	-	2031
77 King William Street, Huntsville ⁽¹⁾	1992	2013	61,604	-	2033
1455 Innisfil Beach Road, Innisfil	2016	N/A	48,618	-	2031
8181 Campeau Drive, Kanata	1996	2012	119,023	-	2034
311 Ryan's Well Drive, Kemptville	2011	2014	67,696	-	2032
1229 Highway 17 E, Kenora ⁽¹⁾	2005	2012	59,844	-	2031
24270 Woodbine Avenue, Keswick ⁽¹⁾	1997	2011	59,125	-	2024
811 Durham Street, Kincardine	2000	2012	30,983	-	2032
2560 Princess Street, Kingston ⁽¹⁾	1990	2009	119,791	-	2034
377 Kent Street W, Lindsay ⁽¹⁾	1981	2012	104,362	-	2028
1875 Hyde Park Road, London ⁽¹⁾	2006	2009	97,710	-	2026
3 Peninsula Road, Marathon	1999	2017	31,934	-	2031
7650 Markham Road, Markham ⁽¹⁾	2003	2012	88,957	-	2028
9303 Highway 93 S, Midland ⁽¹⁾	1996	2012	69,868	-	2032
1210 Steeles Avenue E, Milton	2004	2012	89,581	-	2025
3050 Mavis Road, Mississauga ⁽¹⁾	2001	2016	91,525	-	2025
5970 Mavis Road, Mississauga ⁽¹⁾	2000	2013	99,333	-	2033
12329 County Road 2, Morrisburg	2001	2010	30,974	-	2029
1820 Merivale Road, Nepean	1998	2014	107,222	-	2032
2501 Greenbank Road, Nepean ⁽¹⁾	2000	2013	84,679	-	2033
997431 Highway 11, New Liskeard	1997	N/A	51,564	-	2031
890 McKeown Avenue, North Bay	1994	2011	112,961	-	2029
1100 Kerr Street, Oakville ⁽¹⁾	2009	N/A	99,074	-	2030

Property	Year Built	Year Last Renovated ⁽⁴⁾	Canadian Tire GLA (Sq. ft.)	Third Party GLA (Sq. Ft.)	Year of Expiry of Lease
2510 Hyde Park Gate, Oakville ⁽²⁾	1999	2010	88,386	-	2031
99 First Street, Orangeville	1997	2013	69,910	-	2026
3910 Innes Road, Orleans	2008	2011	119,753	-	2033
1333 Wilson Road N, Oshawa ⁽¹⁾	1981	2014	88,388	-	2034
330 Coventry Road, Ottawa	2000	2011	95,571	-	2026
2010 Ogilvie Road, Ottawa ⁽¹⁾	1982	2009	75,146	-	2032
1104 Pembroke Street E, Pembroke	2003	2010	91,157	-	2028
1050 Chemong Road, Peterborough ⁽¹⁾	2003	2010	64,818	-	2026
1735 Pickering Parkway, Pickering ⁽¹⁾	1999	2013	89,858	-	2028
13321 Loyalist Parkway, Picton ⁽³⁾	1986	1998	-	-	2030
14325 Simcoe Street, Port Perry	2004	2010	45,152	-	2031
140 Prescott Centre Drive, Prescott	2002	2012	37,731	-	2030
9040 County Road 17, Rockland ⁽¹⁾	2004	2014	52,180	-	2028
10 Ferrara Drive, Smiths Falls ⁽¹⁾	1995	2010	56,712	-	2032
431 Louth Street, St. Catharines	2000	2010	89,347	-	2029
25 - 1063 Talbot Street, St. Thomas ⁽¹⁾	2002	2010	71,726	-	2026
1093 Ontario Street, Stratford ⁽¹⁾	1999	2012	97,908	-	2029
24614 Adelaide Road, Strathroy	2005	2013	67,834	-	2023
12011 Highway 17 E, Sturgeon Falls	2000	2015	36,384	-	2024
8081 Dufferin Street, Thornhill	2002	2016	70,301	-	2026
939 Fort William Road, Thunder Bay ⁽¹⁾	2001	2015	100,855	-	2032
37 Mill Street, Tilbury	1976	2012	11,904	-	2024
2199 Riverside Drive, Timmins ⁽¹⁾	2007	2012	97,532	-	2029
327 Toronto Street S, Uxbridge ⁽¹⁾	1995	2011	56,875	-	2027
3200 Rutherford Road, Vaughan ⁽¹⁾	2001	2016	89,954	-	2030
74 McNaughton Avenue, Wallaceburg	2001	2016	30,967	-	2030
75 - 45th Street South, Wasaga	2007	2011	54,084	-	2023
400 Weber Street N, Waterloo ⁽¹⁾	1997	2013	99,394	-	2030
656 Erb Street W, Waterloo ⁽¹⁾	2007	2011	57,580	-	2027
158 Primeway Drive, Welland	2008	N/A	98,145	-	2029
155 Consumers Drive, Whitby	1998	2011	72,095	-	2030
4100 Garden Street, Whitby ⁽¹⁾	2000	2011	77,209	-	2024
8505 Tecumseh Road E, Windsor ⁽¹⁾	1998	2015	94,432	-	2029
4150 Walker Road, Windsor	2004	2010	90,452	-	2029
3850 #7 Highway, Woodbridge	1997	2010	109,634	-	2025
465 Norwich Avenue, Woodstock ⁽¹⁾	2003	2011	90,051	-	2029
Ontario Sub-Total			6,602,804	-	
Quebec					
50 Avenue St. Luc, Alma	1974	2009	43,871	-	2031
650 Rue de Parfondéval, Baie-Comeau	2006	2015	47,284	-	2026
500 Boulevard de la Seigneurie, Blainville	2001	2012	64,919	-	2024
1055 Boulevard de Montarville, Boucherville	1995	2016	92,802	-	2034

Property	Year Built	Year Last Renovated ⁽⁴⁾	Canadian Tire GLA (Sq. ft.)	Third Party GLA (Sq. Ft.)	Year of Expiry of Lease
170 Avenue Lépine, Buckingham	2006	N/A	65,633	-	2030
3400 Boulevard Fréchette, Chambly	2014	N/A	51,322	-	2030
140 Boulevard d'Anjou, Châteauguay	2000	2016	85,548	-	2026
1257 Boulevard Talbot, Chicoutimi	1999	2010	75,617	-	2026
145 Rue de Salaberry, Cowansville	2006	2014	64,928	-	2030
65 Route 132, Delson	1996	2009	81,530	-	2026
223 Route 138, Donnacona	2000	2011	31,355	-	2033
715 Boulevard St-Joseph, Drummondville ⁽¹⁾	1997	2013	108,722	-	2030
355 Boulevard de la Carrière, Gatineau ⁽¹⁾	1996	2014	100,724	-	2030
4909 Boulevard Taschereau, Greenfield Park ⁽¹⁾	1974	2014	94,703	-	2032
2290 Boulevard René-Lévesque, Jonquière	2000	2010	64,566	-	2026
16821 Route Transcanadienne, Kirkland ⁽¹⁾	1995	2015	100,759	-	2031
2300 Rue Bagot, La Baie	2005	2016	39,540	-	2026
91 21e Rue E, La Sarre ⁽¹⁾	1982	2016	38,847	-	2031
3642 Rue Laval, Lac-Mégantic	2000	2011	27,868	-	2024
500 Autoroute Chomedey, Laval	1998	2015	70,027	-	2025
1450 Boulevard Le Corbusier, Laval ⁽¹⁾	2000	2012	99,349	-	2030
544 Boulevard Curé-Labelle, Laval	2001	2014	64,744	-	2024
100 Route du Président-Kennedy, Lévis	2001	2011	76,780	-	2026
600 Boulevard de la Concorde, Lévis	2006	2013	88,960	-	2033
2211 Boulevard Roland-Therrien, Longueuil	1997	2012	91,374	-	2029
2135 Rue Sherbrooke, Magog ⁽¹⁾	2000	2015	75,271	-	2033
250 Boulevard Desjardins, Maniwaki	1984	2017	27,131	-	2032
1675 Boulevard Albiny-Paquette, Mont-Laurier	2010	N/A	36,913	-	2030
488 Avenue Saint-David, Montmagny	1997	2010	41,829	-	2025
2221 Angrignon Boulevard, Montréal	1999	2012	88,382	-	2030
2225 Boulevard Crémazie, Montréal ⁽¹⁾	2001	2012	90,705	-	2032
9050 Boulevard De l'Acadie, Montréal	2004	2015	89,287	-	2030
7555 Boulevard Maurice-Duplessis, Montréal	2001	2012	54,184	-	2026
7200 Boulevard Sainte-Anne-de-Bellevue, Montréal	2001	2009	73,033	-	2026
3500 Boulevard Du Tricentenaire, Montréal ⁽¹⁾	2008	2015	78,464	-	2030
7355 Rue Sherbrooke Quest, Montréal	1950-1959	N/A	-	5,460	2026
49 Boulevard Gérard-D.-Lévesque, Paspébiac	1999	2013	31,334	-	2026
4500 Rue Armand-Viau, Québec City ⁽¹⁾	1997	2011	88,295	-	2031
5500 Boulevard des Gradins, Québec City	2002	2011	88,065	-	2033
1056 Boulevard Olivier-Vien, Roberval	1989	2010	24,692	-	2031
10 Boulevard Bouthillier, Rosemère	2001	2012	103,252	-	2030
245 Boulevard Rideau, Rouyn-Noranda ⁽¹⁾	2006	2013	65,467	-	2034
900 Boulevard Claude-Jutras, Saint-Bruno-de-Montarville	1991	2013	91,016	-	2030
500 107e Rue, Saint-Georges	1997	2015	58,867	-	2030
5930 Rue Martineau, Saint-Hyacinthe	1996	2013	92,062	-	2030
170 Rue Richelieu, Saint-Jean-sur-Richelieu	1962	N/A	-	10,367	2026

Property	Year Built	Year Last Renovated ⁽⁴⁾	Canadian Tire GLA (Sq. ft.)	Third Party GLA (Sq. Ft.)	Year of Expiry of Lease
1485 Avenue Victoria, Saint-Lambert	1980-1989	N/A	-	3,805	2026
6565 Rue Jean-Talon E, Saint-Léonard ⁽¹⁾	1976	2009	77,253	-	2032
980 Boulevard Vachon N, Sainte-Marie ⁽¹⁾	2001	2010	37,749	-	2031
1770 Boulevard Monseigneur-Langlois, Sallaberry-de-Valleyfield ⁽¹⁾	1998	2015	97,021	-	2031
402 Boulevard Laure, Sept-Îles	1999	2009	47,557	-	2026
280 Boulevard Fiset, Sorel	1999	2016	72,705	-	2030
1250 Boulevard Moody, Terrebonne ⁽¹⁾	1997	2013	99,388	-	2032
4785 Boulevard Laurier, Terrebonne	2010	N/A	47,423	-	2025
3525 Boulevard des Forges, Trois-Rivières ⁽¹⁾	1999	2010	98,931	-	2031
4100 Josaphat-Rancourt Boulevard, Sherbrooke	2005	2013	97,522	-	2029
1806 3rd Avenue, Val-d'Or ⁽¹⁾	2010	N/A	90,225	-	2030
4854 Rue Sherbrooke Quest, Westmount	1950-1959	N/A	-	3,764	2026
Quebec Sub-Total			3,835,795	23,396	
New Brunswick					
384 Val D'amour Road, Atholville	1994	2009	45,384	-	2031
520 St. Peter Avenue, Bathurst ⁽¹⁾	1977	2010	51,807	-	2024
500 Regis Street, Dieppe ⁽¹⁾	1978	2011	64,814	-	2025
590 Victoria Street, Edmundston	1996	2017	36,027	-	2024
75 Two Nations Crossing, Fredericton	2008	2016	81,740	-	2028
383 Madawaska Road, Grand Falls	2001	2013	39,857	-	2032
2491 King George Highway, Miramichi	2000	2015	83,761	-	2023
345 Miramichi Road, Oromocto ⁽²⁾	2006	2015	53,775	-	2030
525 Pinewood Road, Riverview	2010	N/A	23,460	-	2024
160 Hampton Road, Rothesay ⁽¹⁾	2001	2013	38,837	-	2031
400 Westmorland Road, Saint John	1997	2013	76,476	-	2029
885 Fairville Boulevard, Saint John ⁽¹⁾	2010	N/A	58,691	-	2029
250 King Street, St. Stephen	2003	2011	38,068	-	2032
450 Rue Du Moulin, Tracadie Sheila	1998	2015	68,160	-	2029
388 Connell Street, Woodstock ⁽¹⁾	2001	2012	39,870	-	2024
New Brunswick Sub-Total			800,727	-	
Nova Scotia					
152 South Albion Street, Amherst ⁽¹⁾	1996	2011	48,852	-	2028
150 Damascus Road, Bedford	2010	N/A	84,726	-	2026
1-6 New Pine Grove Road, Cookville ⁽¹⁾	2005	2015	68,031	-	2031
30 Lamont Terrace, Dartmouth	1991	2015	62,565	-	2027
112 Warwick Street, Digby	2000	2013	30,931	-	2025
130 Reserve Street, Glace Bay	1977	2012	20,582	-	2023
730 Central Avenue, Greenwood	2006	2013	53,775	-	2032
6429 Quinpool Road, Halifax	1980-1989	N/A	-	4,642	2026
5527 Spring Garden Road, Halifax	1980-1989	N/A	-	8,001	2026
699 Westville Road, New Glasgow	2008	2015	80,403	-	2026

Property	Year Built	Year Last Renovated⁽⁴⁾	Canadian Tire GLA (Sq. ft.)	Third Party GLA (Sq. Ft.)	Year of Expiry of Lease
9212 Commercial Street, New Minas	1997	2012	56,096	-	2031
625 Reeves Street, Port Hawkesbury	1998	N/A	27,449	-	2025
49 Spar Road, Sydney	2005	2012	59,779	-	2029
5130 St. Margarets Bay Road, Tantallon	2009	2009	37,208	-	2027
90 Robie Street, Truro	1995	2015	62,312	-	2031
120 Starrs Road, Yarmouth	2002	2012	54,236	-	2030
Nova Scotia Sub-Total			746,945	12,643	
Prince Edward Island					
474 Granville Street, Summerside	1999	2011	50,882	-	2030
20 Babineau Avenue, Charlottetown	2014	N/A	94,704	-	2029
Prince Edward Island Sub-Total			145,586	-	
Newfoundland					
95 Columbus Drive, Carbonear	2000	2013	38,420	-	2025
27 Manitoba Drive, Clarenville	2001	2011	32,517	-	2025
4 Murphy's Square, Corner Brook ⁽¹⁾	2002	2013	74,486	-	2028
26 Merchant Drive, Mount Pearl ⁽¹⁾	2002	2013	87,909	-	2028
40 Hebron Way, St. John's	2014	N/A	93,054	-	2029
50 Kelsey Drive, St. John's	2005	2010	59,743	-	2028
54 Prince Rupert Drive, Stephenville	2001	2013	31,307	-	2025
Newfoundland Sub-Total			417,436	-	
Atlantic Canada Sub-Total			2,110,694	12,643	
Total Single Tenant Properties			16,386,487	89,453	

Notes:

- (1) Property includes a CTC gas bar under a separate quadruple net lease. Each of the gas bars located on the Properties occupies approximately 30,000 to 40,000 square feet of land. The lease expiry of a CTC gas bar lease is identical to the lease expiry of the Canadian Tire store located on this property.
- (2) Property is held by a ground lease.
- (3) Property is an income-producing property subject to a ground lease.
- (4) Year Last Renovated accounts for expansion, replacement, new, and remerchandised projects.

Properties Anchored by a Canadian Tire Store with Additional Third Party Tenants

Property	Year Built	Year Last Renovated ⁽⁵⁾	Canadian Tire GLA (Sq. ft.)	Other CTC Banner GLA (Sq. ft.)	Other ⁽⁶⁾ GLA (Sq. Ft.)	Major Third Party Tenant(s) ⁽³⁾	% Annualized Base Minimum Rent-Third Party Tenant(s) ⁽⁴⁾	Property Occupancy %	Year of Expiry of Canadian Tire Lease
British Columbia									
5717 Main Street, Oliver ⁽¹⁾	2011	N/A	23,188	6,035	43,829	Buy-Low Foods, Desert Country Liquor Store	63%	97%	2026
2830 Bentall Street, Vancouver	2008	2012	116,011	-	65,201	Boston Pizza, Overwaitea, Petsmart	40%	100%	2028
8277 Ontario Street, Vancouver ⁽¹⁾	2012	N/A	107,163	41,581	66,850	Best Buy, Marshalls	31%	98%	2028
1517 Admirals Road, Victoria	2002	2012	43,283	-	6,424		24%	100%	2032
British Columbia Sub-Total			289,645	47,616	182,304				
Alberta									
1204 - 5th Street SE, High River ⁽¹⁾	2015	N/A	44,158	9,984	8,433	-	8%	90%	2030
2720 Fairway Road S, Lethbridge	2000	2013	78,860	-	2,700	-	10%	100%	2025
7713 100 Avenue, Peace River ⁽¹⁾	1999	2014	28,182	6,000	-	-	0%	100%	2027
169 Ordze Avenue, Sherwood Park ⁽²⁾	1990	2016	84,704	-	5,000	-	9%	100%	2027
4721 51st Street, Whitecourt ⁽¹⁾	2002	2013	58,937	5,084	-	-	0%	100%	2027
Alberta Sub-Total			294,841	21,068	16,133				
Saskatchewan									
230 Centennial Drive North, Martensville ⁽¹⁾	2015	N/A	48,611	8,000	10,380	Dollarama	19%	100%	2030
1811 22nd Avenue NE, Swift Current ⁽¹⁾	2007	2016	56,864	22,319	-		0%	100%	2032
277 Broadway Street E, Yorkton	2013	N/A	94,005	-	170,040	Save-On-Foods, Shoppers Drug Mart, Value Village, Winners	91%	95%	2021
Saskatchewan Sub-Total			199,480	30,319	180,420				
Manitoba									
1041 Manitoba Avenue, Selkirk ⁽¹⁾	1996	2015	59,084	22,627	-		3%	100%	2029
777 Norquay Drive,	1998	2011	34,500	5,007	142,450	Shoppers Drug	71%	78%	2023

Property	Year Built	Year Last Renovated ⁽⁵⁾	Canadian Tire GLA (Sq. ft.)	Other CTC Banner GLA (Sq. ft.)	Other ⁽⁶⁾ GLA (Sq. Ft.)	Major Third Party Tenant(s) ⁽³⁾	% Annualized Base Minimum Rent-Third Party Tenant(s) ⁽⁴⁾	Property Occupancy %	Year of Expiry of Canadian Tire Lease
Winkler ⁽¹⁾⁽²⁾						Mart			
1711 Kenaston Boulevard, Winnipeg	2000	2012	98,897	-	3,928		4%	98%	2028
Manitoba Sub-Total			192,481	27,634	146,378				
Yukon									
18 Chilkoot Way, Whitehorse ⁽¹⁾	2007	2016	89,293	13,983	-	-	0%	100%	2033
Western Canada Sub-Total			1,065,740	140,620	525,235				
Ontario									
375 Daniel Street S, Arnprior ⁽¹⁾⁽²⁾	2016	N/A	45,259	8,000	80,558	Metro	61%	99%	2031
75 Mapleview Drive W, Barrie ⁽²⁾	2000	2014	108,619	-	7,266	The Beer Store	9%	100%	2028
20215 Chatham Street N, Blenheim	1999	2016	30,375	-	-		15%	100%	2026
30 Lynden Road, Brantford ⁽²⁾	2000	2013	105,362	-	-		3%	100%	2028
75 Dundas Street, Cambridge	1985	2012	46,131	-	44,731	Sobey's	42%	96%	2032
1125 Elgin Street W, Cobourg ⁽¹⁾⁽²⁾	2000	2012	76,371	14,614	-		3%	100%	2026
409 Government Street, Dryden ⁽¹⁾	1997	2013	36,031	5,101	-		0%	100%	2032
751-777 Upper James Street, Hamilton ⁽²⁾	1987	2015	73,646	-	52,606	Metro	46%	100%	2018
385 Fairway Road S., Kitchener	1990	2012	66,982	-	59,537	Farm Boy	51%	93%	2031
262 Erie Street S, Leamington	1977	2014	54,224	-	-		16%	100%	2026
500 Mitchell Road S, Listowel ⁽¹⁾	1998	2012	28,090	5,300	-		7%	100%	2029
1975 Dundas Street E, London ⁽²⁾	1995	2012	98,457	-	-		3%	100%	2031
1125 Wellington Road, London ⁽¹⁾⁽²⁾	1995	2013	92,009	13,066	-		0%	100%	2030
1156 Dundas Street E, Mississauga ⁽¹⁾⁽²⁾	1999	2013	98,024	15,029	-		3%	100%	2031
2135 Robertson	1973	2013	68,429	-	-		5%	100%	2024

Property	Year Built	Year Last Renovated ⁽⁵⁾	Canadian Tire GLA (Sq. ft.)	Other CTC Banner GLA (Sq. ft.)	Other ⁽⁶⁾ GLA (Sq. Ft.)	Major Third Party Tenant(s) ⁽³⁾	% Annualized Base Minimum Rent-Third Party Tenant(s) ⁽⁴⁾	Property Occupancy %	Year of Expiry of Canadian Tire Lease
Road, Nepean ⁽²⁾									
17750 Yonge Street, Newmarket ⁽²⁾	1996	2011	115,431	-	-	Royal Bank of Canada	13%	100%	2032
400 Dundas Street E, Oakville ⁽²⁾	2001	2011	88,847	-	-		5%	100%	2029
441 Gibb Street, Oshawa ⁽¹⁾	1999	2011	87,535	12,130	-		0%	100%	2029
1605 16th Street E, Owen Sound ⁽¹⁾⁽²⁾	1997	2011	77,457	12,189	-		0%	100%	2028
5116 Highway 21, Port Elgin ⁽²⁾	2012	2012	28,347	-	-		11%	100%	2032
1050 O'Brien Road, Renfrew ⁽²⁾	2004	2013	40,610	-	-		8%	100%	2031
1485 Lasalle Boulevard, Sudbury	2016	N/A	113,029	-	34,856	LCBO, Pat & Mario's, The Beer Store	63%	100%	2026
1025 Lakeshore Boulevard E, Toronto ⁽¹⁾	2007	2010	106,371	13,362	45,341	Boston Pizza, Royal Bank of Canada, Shoppers Drug Mart, TD Canada Trust	36%	100%	2033
1019 Sheppard Avenue E, Toronto ⁽¹⁾⁽²⁾	2004	2011	139,554	9,658	6,455	TD Canada Trust	7%	100%	2034
4630 Sheppard Avenue E, Toronto ⁽¹⁾⁽²⁾	2004	2010	99,581	10,093	-		0%	100%	2034
11 Clappison Avenue, Waterdown ⁽¹⁾⁽²⁾	2007	2016	71,511	21,746	-		0%	100%	2025
Ontario Sub-Total			1,996,282	140,288	331,350				
Quebec									
1751 Boulevard Vézina, Dolbeau-Mistassini	2008	2015	45,951	-	-	-	13%	100%	2029
70 Rue Simonds N, Granby ⁽¹⁾	1995	2013	98,926	10,322	9,866	-	0%	92%	2030
1233 Autoroute Duplessis, L'Ancienne-Lorette	2003	2013	88,961	-	-		4%	100%	2030
115 Boulevard Brien, Repentigny ⁽¹⁾⁽²⁾	1996	2015	110,370	8,130	8,348	-	10%	100%	2031

Property	Year Built	Year Last Renovated ⁽⁵⁾	Canadian Tire GLA (Sq. ft.)	Other CTC Banner GLA (Sq. ft.)	Other ⁽⁶⁾ GLA (Sq. Ft.)	Major Third Party Tenant(s) ⁽³⁾	% Annualized Base Minimum Rent-Third Party Tenant(s) ⁽⁴⁾	Property Occupancy %	Year of Expiry of Canadian Tire Lease
1555 Rue Trudel, Shawinigan ⁽²⁾	1999	2014	99,900	-	9,779	Royal Bank of Canada	7%	96%	2031
40 Boulevard Norbert Morin, Sainte-Agathe-des-Monts ⁽¹⁾	1987	2017	49,535	12,047	15,958	-	21%	94%	2032
50 de la Cite des Jeunes Boulevard, Vaudreuil ⁽¹⁾	2000	2015	73,965	12,238	-		0%	100%	2029
Quebec Sub-Total			567,608	42,737	43,951				
Total			3,629,630	323,645	900,536				

Notes:

- (1) Property includes CTC Banner(s) other than Canadian Tire.
- (2) Property includes a CTC gas bar under a separate quadruple net lease. Each of the gas bars located on the properties occupies approximately 30,000 to 40,000 square feet of land. The lease expiry of a CTC gas bar lease is identical to the lease expiry of the Canadian Tire store located on this property.
- (3) Tenants with a threshold of annualized base minimum rent.
- (4) Annualized base minimum rent effective January 1, 2018.
- (5) Year Last Renovated accounts for expansion, replacement, new, and remerchandised projects.
- (6) Includes third party tenant GLA and vacant GLA.

Properties with Third Party Tenants not Anchored by a Canadian Tire Store

Property	Year Built	Year Last Renovated	Other CTC Banner GLA (Sq. Ft.)	Other GLA ⁽⁵⁾ (Sq. Ft.)	Major Third Party Tenant(s) ⁽³⁾	% Annualized Base Minimum Rent-Third Party Tenant(s) ⁽⁴⁾	Property Occupancy % ⁽¹⁾
British Columbia							
9600 93 Avenue, Fort St John ⁽¹⁾⁽²⁾	1980	N/A	32,720	165,590	Dollarama, Montana's, Landmark Cinemas, Staples, Winners	86%	93%
Alberta							
6703 48 th Avenue, Camrose ⁽¹⁾	2014	N/A	23,014	5,113	-	23%	100%
3124 Dunmore Road SE, Medicine Hat ⁽¹⁾	2014	N/A	34,403	28,410	Goodlife Fitness	47%	100%
Alberta Sub-Total			57,417	33,523			
Saskatchewan							
205 Hamilton Road, Yorkton ⁽¹⁾	2014	N/A	34,621	-	-	0%	100%
Total			124,758	199,113			

Notes:

- (1) Property includes Other CTC Banner(s) store other than Canadian Tire.

- (2) Property includes a third party gas bar under a separate quadruple net lease. Each of the gas bars located on the properties occupies approximately 20,000 square feet of land.
- (3) Tenants with a threshold of annualized base minimum rent.
- (4) Annualized base minimum rent effective January 1, 2018.
- (5) Includes third party tenant GLA and vacant GLA.

Properties Anchored by Canadian Tire Office with Additional Third Party Tenants

Property	Year Built	Year Last Renovated	Canadian Tire Office GLA (Sq. ft.)	Other GLA ⁽⁵⁾ (Sq. Ft.)	Major Third Party Tenant(s) ⁽³⁾	% Occupied (including CTC Office)	Year of Expiry of CTC Office Lease(s)
Ontario							
Canada Square ⁽¹⁾⁽²⁾	1961, 1972, 1984	1975, 1987	452,636	391,203	Multiple Tenants ⁽⁴⁾	98%	2020
			452,636	391,203			
Total Canadian Tire Office with Additional Third Party Tenants							

Notes:

- (1) CT REIT owns a one-third interest in the Canada Square and the GLA above is shown at 100% level.
- (2) Property is subject to a ground lease.
- (3) Tenants with a threshold of annualized base minimum rent.
- (4) First Media Group, Precise Parklink, TVO.
- (5) Includes third party tenant GLA and vacant GLA.

Distribution Centres

Property	Site Area (acres)	Ceiling Clearance (Ft.)	Number of Shipping/Receiving Doors	Year Built	Year Last Renovated	CTC GLA (Sq. Ft.)	Other GLA ⁽¹⁾ (Sq. Ft.)	% Occupied	Year of Expiry of Lease
Alberta									
11 Dufferin Place SE, Calgary	8	28	20	2004	N/A	-	201,415	0%	N/A
25 Dufferin Place SE & 5500 Dufferin Boulevard SE, Calgary	26	24-40	131	2000	N/A	624,669	30,622	95%	2028
Ontario									
8400 Healey Road, Town of Caledon	181	28	244	2016	N/A	1,400,000	-	100%	2036
Quebec									
50 Rue Dupont, Coteau-du-Lac	167	40	208	2008	N/A	1,658,165	-	100%	2030
Total Distribution Centres						3,682,834	232,037		

Notes:

- (1) Includes third party tenant GLA and vacant GLA.

Development Land

Property	Year Purchased	Acres
Alberta		
Calgary	2017	5.5
Sherwood Park	2017	8.0
Quebec		
Amos	2016	15.3

Development Property

Property	Year Purchased	Total GLA (Sq. Ft.)
Alberta		
Calgary –Hunterhorn Drive	2017	47,000
Nova Scotia		
Antigonish	2016	179,000
Ontario		
Orillia	2017	318,000
Sudbury	2017	82,800