CANADIAN REAL ESTATE INVESTMENT TRUST

NOTICE OF SPECIAL MEETING OF UNITHOLDERS

TO BE HELD ON APRIL 11, 2018

AND

MANAGEMENT INFORMATION CIRCULAR

DATED MARCH 8, 2018

WITH RESPECT TO A PROPOSED

PLAN OF ARRANGEMENT

INVOLVING, AMONG OTHERS,

CANADIAN REAL ESTATE INVESTMENT TRUST

AND

CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

THE BOARD OF TRUSTEES RECOMMENDS
THAT UNITHOLDERS VOTE IN FAVOUR OF THE TRANSACTION

Please read this document and the accompanying materials carefully. These materials are important and require your immediate attention. They require unitholders of the REIT to make important decisions. If you are in doubt as to how to make such decisions or about these materials or the matters to which they refer, please contact your financial, legal or other professional advisors. If you have any questions or require more information with regard to the procedures for voting or completing your letter of transmittal and election form, please contact Laurel Hill Advisory Group, our proxy solicitation agent, by telephone at 1-877-452-7184 toll-free in North America or at 416-304-0211 for collect calls outside of North America or by e-mail at assistance@laurelhill.com.

BOARD OF TRUSTEES

LETTER TO UNITHOLDERS

March 8, 2018

Dear Fellow Unitholders:

It is my pleasure to extend to you, on behalf of the board of trustees (the "**Board**") of Canadian Real Estate Investment Trust (the "**REIT**"), an invitation to attend a special meeting (the "**Meeting**") of unitholders ("**Unitholders**") of the REIT to be held at 1 King Street West, 2nd Level, Grand Banking Hall, Toronto, Ontario M5H 1A1, on April 11, 2018 at 10:00 a.m. (Toronto time).

At the Meeting, Unitholders will be asked to consider and vote on the combination of the REIT and Choice Properties Real Estate Investment Trust ("**Choice Properties**"). The combined entity brings together Canada's oldest public real estate investment trust, with a long track record of disciplined investing and prudent financial management, and an investment-grade real estate investment trust anchored by Canada's largest food retailer. The combined entity is backed by the commitment of the Weston group of companies to make commercial real estate a long-term core business and transform Choice Properties into the premier diversified real estate investment trust in Canada.

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

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

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

The core elements of the REIT's business model have revolved around the preservation of capital and a focus on net asset value (NAV) per unit, funds from operation (FFO) per unit and distribution growth. The combination with Choice Properties presents Unitholders with a unique opportunity to pursue a transformative transaction that will allow the REIT to maintain these core elements of its strategy, while gaining access to greater scale, more significant intensification and development opportunities and a large increase in cash flow from investment-grade tenants.

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

At the Meeting, Unitholders will be asked to consider and vote on a special resolution (the "**Special Resolution**") approving a plan of arrangement under the *Business Corporations Act* (Ontario) and the *Trustee Act* (Ontario), involving, among others, the REIT, CREIT Eastern GP Inc. and Choice Properties (the "**Transaction**"). Under the terms of the Transaction, Choice Properties will, among other things, acquire all of the REIT's assets and assume

all of its liabilities, including long-term debt and all residual liabilities (other than certain credit facilities of the REIT that will be repaid in connection with the Transaction). The REIT will then redeem all of its outstanding units for an aggregate of $22.50 in cash and 2.4904 units of Choice Properties ("**Choice Properties Units**") per unit of the REIT (each, a "**Unit**"), on a fully prorated basis. Based on the Choice Properties Unit closing price of $12.49 as of February 14, 2018 (the date of the Arrangement Agreement), this represents $53.61 per Unit, which is a 23.1% premium to the Unit closing price as of February 14, 2018. Unitholders will have the ability to choose whether to receive $53.75 in cash or 4.2835 Choice Properties Units for each Unit held, subject to proration. Canadian resident Unitholders who receive Choice Properties Units will receive their Choice Properties Units on a tax-deferred "roll-over" basis for Canadian federal income tax purposes.

Choice Properties has announced its intention to retain its current annual distribution of $0.74 per Choice Properties Unit. Unitholders who receive 4.2835 Choice Properties Units as part or all of their consideration under the Transaction will benefit from an approximately 70% increase in their cash distributions, relative to their current annual distributions from the REIT.

Completion of the Transaction is subject to the satisfaction of certain conditions, including approval by Unitholders, the Toronto Stock Exchange, the Ontario Superior Court of Justice (Commercial List) and under the *Competition Act* (Canada), as described in the enclosed management information circular (the "**Circular**"). If such approvals are obtained and the other conditions to the completion of the Transaction are satisfied or waived, it is expected that the Transaction will be completed in the second quarter of 2018.

To be effective, the Special Resolution being considered at the Meeting must be approved by at least 66 $^{2}/_{3}$% of the votes cast by the Unitholders present in person or represented by proxy at the Meeting.

After careful consideration and consultation with their financial and legal advisors, the Board (other than members who have abstained from voting or recused themselves) has unanimously determined that the Transaction is in the best interests of the REIT and its Unitholders.

In making its determination, the Board took into account, among other things, the reasons noted in the Circular and a fairness opinion prepared by RBC Dominion Securities Inc. ("**RBC Capital Markets**"). RBC Capital Markets delivered its opinion to the Board that as of February 14, 2018 and subject to the assumptions, limitations, qualifications and other matters set forth therein, the consideration under the Transaction is fair, from a financial point of view, to the Unitholders.

THE BOARD RECOMMENDS THAT THE UNITHOLDERS VOTE FOR THE SPECIAL RESOLUTION APPROVING THE TRANSACTION.

All of the trustees and certain executive officers of the REIT, who collectively hold approximately 1.2% of the Units, have entered into voting and support agreements with Choice Properties in support of the Transaction and intend to vote their Units FOR the Special Resolution approving the Transaction.

The enclosed Circular contains a detailed description of the Transaction, as well as information regarding the REIT and Choice Properties and certain *pro forma* financial information regarding Choice Properties after giving effect to the Transaction. The Circular also describes certain Canadian federal income tax considerations associated with the Transaction. **Please give this material careful consideration and, if you require assistance, consult your financial, tax, legal or other professional advisors to determine the particular impact (including tax impact) of the Transaction upon you, having regard to your own particular circumstances.**

You can complete and return the enclosed form of proxy in a number of ways. Please see the enclosed Notice of Special Meeting and Circular for information on how to vote your Units. Your vote must be received by 5:00 p.m. (Toronto time) on April 9, 2018 (or if the Meeting is adjourned or postponed, on the second last business day prior to the date of the adjourned or postponed Meeting). If you hold your Units through an intermediary such as a broker or investment dealer, your intermediary may require you to submit your vote at an earlier date and/or time.

To make a valid election as to the form of consideration that you wish to receive under the Transaction, you must sign and return the letter of transmittal and election form and make a proper election thereunder and return it with accompanying certificate(s) representing your Units to the depositary for the Transaction. Such materials must be

received by the depositary on or before 5:00 p.m. (Toronto time) on April 9, 2018. If you hold your Units through an intermediary such as a broker or investment dealer, your intermediary may require you to make your election at an earlier date and/or time.

If you have any questions with regard to the procedures for voting or completing your letter of transmittal and election form, please contact Laurel Hill Advisory Group, our proxy solicitation agent, by telephone at 1-877-452-7184 toll-free in North America or at 416-304-0211 for collect calls outside of North America or by e-mail at assistance@laurelhill.com.

This is an important matter affecting the future of the REIT and your vote is important regardless of the number of Units you own. The Board and management thank you for your continued confidence, and we look forward to seeing you on April 11, 2018.

Yours very truly,

"W. Reay Mackay"

W. Reay Mackay
Chairman of the Board of Trustees

Voting Methods	 Internet	 Telephone or Fax	 Mail
Registered Unitholders *Units held in own name and represented by a physical certificate.*	Vote online at www.astvotemyproxy.com	Telephone: 1-888-489-7352 Fax: 1-866-781-3111 or 416-368-2502	Return the form of proxy in the enclosed postage paid envelope.
Beneficial Unitholders *Units held with a broker, investment dealer or other intermediary.*	Vote online at www.proxyvote.com	Call or fax to the number(s) listed on your voting instruction form.	Return the voting instruction form in the enclosed postage paid envelope.

CANADIAN REAL ESTATE INVESTMENT TRUST

NOTICE OF SPECIAL MEETING OF UNITHOLDERS

A special meeting (the "**Meeting**") of the holders (the "**Unitholders**") of units ("**Units**") of Canadian Real Estate Investment Trust (the "**REIT**") will be held at 10:00 a.m. (Toronto time) on April 11, 2018 at 1 King Street West, 2nd Level, Grand Banking Hall, Toronto, Ontario M5H 1A1, for the following purposes:

(a) to consider, pursuant to an interim order of the Ontario Superior Court of Justice (Commercial List), as such order may be amended, modified, supplemented or varied (the "**Interim Order**"), and to vote on, with or without variation, a special resolution (the "**Special Resolution**"), the full text of which is set forth in Appendix "A" to the accompanying management information circular (the "**Circular**"), approving a plan of arrangement (the "**Transaction**") under section 182 of the *Business Corporations Act* (Ontario) and section 60 of the *Trustee Act* (Ontario), involving, among others, Choice Properties Real Estate Investment Trust ("**Choice Properties**"), the REIT and CREIT Eastern GP Inc., all as more particularly described in the Circular; and

(b) to transact any such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

Unitholders are referred to the Circular for more detailed information with respect to the foregoing matters to be considered at the Meeting.

The Circular which accompanies this Notice of Special Meeting of Unitholders provides information regarding the business to be considered at the Meeting and includes the full text of the Special Resolution and the Interim Order, attached thereto as Appendix "A" and Appendix "B", respectively.

Record Date

In accordance with the Interim Order, March 2, 2018 at 5:00 p.m. (Toronto time) has been fixed as the record date for determining Unitholders entitled to receive notice of, and to vote at, the Meeting or any adjournment or postponement thereof.

Accompanying this Notice of Special Meeting of Unitholders is the Circular, which contains details of the matters to be dealt with at the Meeting, a form of proxy or voting instruction form and, in the case of registered Unitholders, a letter of transmittal and election form. The Circular, form of proxy and letter of transmittal and election form may also be accessed on SEDAR at www.sedar.com.

Voting of Units

In order to determine how to vote at the Meeting, you must first determine whether you are a registered or beneficial Unitholder.

Registered Unitholders

You are a registered Unitholder if your name appears on your certificate(s) representing your Units. If you are a registered Unitholder, you may vote in person at the Meeting. Alternatively, if you would prefer not to attend the Meeting (or any adjournment or postponement thereof) in person, you can exercise your right to vote by signing and returning the form of proxy in accordance with the directions on the form.

You can complete and return the form of proxy in a number of ways:

(i) use the internet at www.astvotemyproxy.com;

(ii) call toll-free to 1-888-489-7352;

(iii) fax at 1-866-781-3111 (toll-free) or 416-368-2502;

(iv) use the business reply envelope provided;

(v) scan the QR Code in the proxy using your smartphone;

(vi) scan and send to proxyvote@astfinancial.com; or

(vii) deliver in person to AST Trust Company (Canada), 1 Toronto Street, Suite 1200, Toronto, Ontario M5C 2V6.

However you choose to vote, your vote must be received by 5:00 p.m. (Toronto time) on April 9, 2018 (or if the Meeting is adjourned or postponed, on the second last Business Day prior to the date of the adjourned or postponed Meeting). The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice. Unitholders who have questions about deciding how to vote or who have additional questions about the Circular or the matters described in the Circular, please contact your professional advisors.

Beneficial Unitholders

Most of the REIT's Unitholders are beneficial Unitholders. You are a beneficial Unitholder if you beneficially own Units that are held in the name of an intermediary such as a broker, investment dealer, bank, trust company, trustee, clearing agency (such as CDS Clearing and Depository Services Inc.) or other nominee. Intermediaries are required to seek voting instructions from beneficial Unitholders in advance of meetings of Unitholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients. The form of proxy or voting instruction supplied to you by your intermediary will be similar to the proxy provided to registered Unitholders by the REIT. However, its purpose is limited to instructing the intermediary on how to vote your Units on your behalf. Most intermediaries delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge mails a Voting Instruction Form ("**VIF**") in lieu of a form of proxy provided by the REIT. **For your Units to be voted, you must follow the instructions on the VIF that is provided to you.** You can complete the VIF by: (i) calling the phone number listed thereon; (ii) mailing the completed VIF in the envelope provided; or (iii) using the internet at www.proxyvote.com. Unitholders who have questions about deciding how to vote or who have additional questions about the Circular or the matters described in the Circular, please contact your professional advisors. Additionally, the REIT may utilize Broadridge's QuickVote™ service to assist beneficial Unitholders with voting their Units. Certain beneficial Unitholders who have not objected to the REIT knowing who they are (non-objecting beneficial owners) may be contacted by Laurel Hill Advisory Group, our proxy solicitation agent, to conveniently obtain a vote directly over the telephone.

If, as a beneficial Unitholder, you choose to vote in person at the Meeting (or have another person attend and vote on your behalf): (a) insert your own name (or such other person's name) in the space provided or mark the appropriate box on the VIF to appoint yourself (or such other person) as the proxyholder; and (b) return the VIF in the envelope provided or as otherwise permitted by your intermediary. No other part of the form should be completed. In some cases, your intermediary may send you additional documentation that must also be completed in order for you to vote in person at the Meeting. If you are a beneficial Unitholder, your intermediary may require that you complete your election at a date and time earlier than on or before 5:00 p.m. (Toronto time) on April 9, 2018.

Letter of Transmittal and Election Form

The Transaction provides a choice of consideration, subject to proration. If you are a registered Unitholder, to elect your preferred form of consideration, you must complete and return the enclosed letter of transmittal and election form ("**Letter of Transmittal and Election Form**"), together with the certificate(s) representing your Units, to AST Trust Company (Canada) (the "**Depositary**") at the address specified in the Letter of Transmittal and Election Form. The Letter of Transmittal and Election Form contains procedural information relating to the Transaction and should be reviewed carefully. We recommend that you complete, sign and return the Letter of Transmittal and Election Form with your certificate(s) representing your Units to the Depositary as soon as possible. **To make a valid election as to the form of consideration that you wish to receive under the Transaction, you must sign the Letter of Transmittal and Election Form and make a proper election thereunder and return it with accompanying certificate(s) representing your Units to the Depositary. The Depositary must receive such documentation and certificate(s) on or before 5:00 p.m. (Toronto time) on April 9, 2018.**

If you are a beneficial Unitholder and have received these materials through your broker, investment dealer or other intermediary, you will not receive a Letter of Transmittal and Election Form. Please follow the instructions provided by such broker, investment dealer or other intermediary for assistance in making an election with respect to the form of consideration you wish to receive. If you are a beneficial Unitholder, your broker, investment dealer or other intermediary may require that you complete your election at a date and time earlier than on or before 5:00 p.m. (Toronto time) on April 9, 2018.

Registered Unitholders who do not make a valid election (or, in the case of beneficial Unitholders, beneficial Unitholders who fail to provide valid election instructions to their broker, investment dealer or other intermediary) will be deemed to have elected to receive cash consideration only, subject to proration (except for holders of restricted units under the REIT's restricted unit plan, in respect of such restricted units). Please refer to the enclosed Circular under the heading "*Procedure for the Delivery of Securities and Payment of Consideration – Available Elections and Procedure*" for additional information regarding the procedure for making an election.

Dissent Rights

Pursuant to the Interim Order, registered holders of Units are entitled to dissent in respect of the Special Resolution and, if the Transaction becomes effective, to be paid the fair value of their Units in accordance with the provisions of the REIT'S declaration of trust, as adopted, modified or supplemented by the Interim Order and the Plan of Arrangement. This right is described in detail in the accompanying Circular under the heading "*Dissent Rights*". **Failure to comply strictly with the dissent procedures described in the Circular may result in the loss of any right of dissent.** Beneficial owners of Units registered in the name of a broker, investment dealer or other intermediary who wish to dissent should be aware that only registered holders of Units are entitled to dissent. Accordingly, a beneficial owner of Units who desires to exercise rights of dissent must make arrangements for the registered holder of such Units to dissent on the holder's behalf.

In this Notice of Special Meeting of Unitholders, "**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario.

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If you have any questions, please contact Laurel Hill Advisory Group, our proxy solicitation agent, by telephone at 1-877-452-7184 toll-free in North America or at 416-304-0211 for collect calls outside of North America or by e-mail at assistance@laurelhill.com.

DATED at the City of Toronto, Ontario, this 8th day of March, 2018.

By order of the Trustees of

CANADIAN REAL ESTATE INVESTMENT TRUST

*"**Stephen E. Johnson**"*

Stephen E. Johnson
Trustee and Chief Executive Officer

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GLOSSARY OF TERMS

In this management information circular, the following capitalized terms have the meanings set forth below.

"**2017 Circular**" means the management information circular of the REIT dated March 29, 2017 prepared in connection with the annual and special meeting of Unitholders held on May 18, 2017.

"**Acquisition Proposal**" means, other than the transactions contemplated by the Arrangement Agreement or permitted pursuant to Article 5 of the Arrangement Agreement, any offer, proposal, inquiry or expression of interest (written or oral) from any Person or group of Persons other than Choice Properties (or any affiliate of Choice Properties or any Person acting jointly or in concert with Choice Properties or any affiliate of Choice Properties) after the date of the Arrangement Agreement relating to, in each case whether in a single transaction or a series of related transactions: (a) any direct or indirect sale, disposition or joint venture (or any lease, license or other arrangement having the same economic effect as a sale) (i) of assets representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated annual revenue of the REIT, or (ii) of or involving 20% or more of the voting or equity securities of the REIT or any of its Subsidiaries whose assets, individually or in the aggregate, represent 20% or more of the consolidated assets or contribute 20% or more of the consolidated annual revenue of the REIT; (b) any direct or indirect take-over bid, tender offer, exchange offer, treasury issuance or other transaction that, if consummated, would result in such Person or group of Persons directly or indirectly beneficially owning 20% or more of any class of voting or equity securities of the REIT or any of its Subsidiaries whose assets, individually or in the aggregate, represent 20% or more of the consolidated assets or contribute 20% or more of the consolidated annual revenue of the REIT; (c) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or winding up involving the REIT or any of its Subsidiaries whose assets, individually or in the aggregate, represent 20% or more of the consolidated assets or contribute 20% or more of the consolidated annual revenue of the REIT; or (d) any other transaction or series of transactions involving the REIT or any of its Subsidiaries that would have the same effect as the foregoing (and, for purposes of the foregoing, the consolidated assets and consolidated annual revenue shall be determined based upon the most recent publicly available consolidated financial statements of the REIT).

"**Additional Income**" has the meaning set out in "*Certain Canadian Federal Income Tax Considerations – Taxation of the REIT – Taxable Transactions Under the Plan of Arrangement*".

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

"**Aggregate Cash Consideration**" has the meaning set out in "*Procedure for the Delivery of Securities and Payment of Consideration – Proration*".

"**Aggregate Net Cash Consideration**" means an amount equal to the Aggregate Cash Consideration less the Dissent Amount.

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

"**Annual Financial Statements**" means the audited financial statements of the REIT as at and for the years ended December 31, 2017 and December 31, 2016, together with the notes thereto and the auditor's report thereon.

"**Annual MD&A**" means management's discussion and analysis of results of operations and financial condition of the REIT for the year ended December 31, 2017.

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

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

"**Beneficial Unitholder**" means a Unitholder that is not a Registered Unitholder, whose Units are held in the name of an intermediary such as a broker, investment dealer, bank, trust company, trustee, clearing agency (such as CDS) or other nominee.

"**Board**" means the board of trustees of the REIT as constituted from time to time.

"**Board Recommendation**" means the statement in this Circular that the Board (excluding any members thereof who abstained from voting or recused themselves) after consulting with outside legal counsel and financial advisors, has unanimously determined that the Transaction is in the best interests of the REIT and Unitholders and unanimously recommends (excluding any members thereof who abstained from voting or recused themselves) that Unitholders vote their Units in favour of the Special Resolution.

"**Broadridge**" has the meaning set out in "*Canadian Real Estate Investment Trust Management Information Circular – Introduction*".

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario.

"**Capital Gains Refund**" has the meaning set out in "*Certain Canadian Federal Income Tax Considerations – Residents of Canada – Holding and Disposing of Choice Properties Units Received Pursuant to the Plan of Arrangement*".

"**Cash Consideration**" has the meaning set out in "*The Transaction – Treatment of REIT Securities – Units*".

"**Cash Difference**" has the meaning set out in "*Procedure for the Delivery of Securities and Payment of Consideration – Proration*".

"**Cash Electing Unitholder**" means a Unitholder who elects, or who is deemed to have elected, to receive Cash Consideration in exchange for one or more of such Unitholder's Units pursuant and subject to the Plan of Arrangement.

"**Cash Redemption**" has the meaning set out in "*Certain Canadian Federal Income Tax Considerations*".

"**CCA**" has the meaning set out in "*Certain Canadian Federal Income Tax Considerations – Taxation of the REIT – Pre-Closing REIT Asset Transfer*".

"**CDS**" means CDS Clearing and Depository Services Inc.

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

"**Change in Recommendation**" means if, prior to the Unitholder Approval having been obtained, the Board or a committee thereof: (a) fails to recommend or withdraws, amends, modifies or qualifies, or publicly proposes or states an intention to withdraw, amend, modify or qualify, the Board Recommendation in a manner adverse to Choice Properties; (b) accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend, any Acquisition Proposal or publicly takes no position or publicly remains neutral with respect to a publicly announced, or otherwise publicly disclosed, Acquisition

Proposal for more than five Business Days (or in the event that the Meeting is scheduled to occur within such five Business Day period, prior to the third Business Day prior to the date of the Meeting); (c) accepts or enters into (other than a confidentiality agreement permitted by and in accordance with section 5.3 of the Arrangement Agreement) or publicly proposes to accept or enter into any written agreement, commitment or arrangement in respect of an Acquisition Proposal; or (d) fails to publicly reaffirm the Board Recommendation within five Business Days after having been requested in writing by Choice Properties to do so.

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

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

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

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

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

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

"**Choice Properties Special Unit**" means a non-participating special voting unit of Choice Properties issued to a holder of CP Class B Units pursuant to the Choice Properties Declaration of Trust and having the attributes described therein.

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

"**Choice Properties Unitholders**" means the registered and/or beneficial holders of the Choice Properties Units and Choice Properties Special Units.

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

"**Circular**" means this notice of special meeting and management information circular dated March 8, 2018, together with all appendices hereto and documents incorporated herein by reference, distributed by the REIT in connection with the Meeting, as amended, supplemented or otherwise modified from time to time.

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

"**Commissioner**" means the Commissioner of Competition appointed under the Competition Act and includes a person duly authorized to exercise the powers and to perform the duties of the Commissioner.

"**Commitment Letter**" has the meaning set out in "*The Transaction – Sources of Funds for the Transaction*".

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

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

"**Computershare**" means Computershare Trust Company of Canada.

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

"**Consideration**" means, collectively, the Cash Consideration and the Non-Cash Consideration.

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

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

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

"**CRA**" means the Canada Revenue Agency.

"**CRA Approval**" has the meaning set out in "*Certain Canadian Federal Income Tax Considerations – Taxation of the REIT – Computation of Income and Taxable Capital Gains of the REIT*".

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

"**DBRS**" means DBRS Limited.

"**Debentures**" means, collectively, the Series A Debentures, the Series B Debentures, the Series C Debentures and the Series D Debentures.

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

"**Depositary**" means AST Trust Company (Canada).

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

"**Dissent Amount**" means the amount equal to the Cash Consideration multiplied by the number of Dissenting Units, if any.

"**Dissent Rights**" means the rights of dissent provided for in section 4.1 of the Plan of Arrangement.

"**Dissenting Unitholder**" means a registered holder of Units who has validly exercised its Dissent Rights and has not withdrawn such exercise of Dissent Rights prior to the Effective Time.

"**Dissenting Units**" means the Units held by Dissenting Unitholders in respect of which Dissent Rights have been and remain validly exercised at the Effective Time.

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

"**Effective Time**" means 3:01 a.m. on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

"**Elected Cash**" has the meaning set out in "*Procedure for the Delivery of Securities and Payment of Consideration – Proration*".

"**Elected Units**" means the Units in respect of which a Unitholder has not elected to receive the Cash Consideration, but, for greater certainty, does not include any Restricted Units.

"**Election**" has the meaning set out in "*Procedure for the Delivery of Securities and Payment of Consideration – Letter of Transmittal and Election Form*".

"**Election Deadline**" has the meaning set out in "*Procedure for the Delivery of Securities and Payment of Consideration – Letter of Transmittal and Election Form*".

"**Eligible Institution**" means a Canadian Schedule I chartered bank, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange, Inc. Medallion Signature Program (MSP).

"**Fairness Opinion**" means the opinion delivered by RBC Capital Markets to the Board dated February 14, 2018, a copy of which is attached as Appendix "E" to this Circular.

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

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

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

"**Foreign Source Income**" has the meaning set out in "*Certain Canadian Federal Income Tax Considerations – Residents of Canada – Holding and Disposing of Choice Properties Units Received Pursuant to the Plan of Arrangement*".

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

"**GAAP**" means generally accepted accounting principles.

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

"**IFRS**" means International Financial Reporting Standards.

"**Income Allocated on the Cash Redemptions**" means the lesser of: (a) the aggregate amount of the taxable capital gains of the REIT, calculated in accordance with the provisions of the Tax Act, realized on, or allocated from a Subsidiary of the REIT to the REIT, in respect of the Pre-Closing Reorganization Transactions (as defined in the Plan of Arrangement), the U.S. Property Transactions and the Pre-QE REIT Transactions, and (b) the REIT's "net taxable capital gains" within the meaning of subsection 104(21) of the Tax Act for the taxation year of the REIT that shall be deemed, by section 132.2 of the Tax Act, to end as a consequence of the QE Transactions.

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

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

"**Laurel Hill**" means Laurel Hill Advisory Group.

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

"**Lender**" has the meaning set out in "*The Transaction – Sources of Funds for the Transaction*".

"**Letter of Transmittal and Election Form**" means the letter of transmittal and election form accompanying this Circular sent to Unitholders.

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

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

"**Loblaw Voting Agreement**" has the meaning set out in "*The Transaction – Voting and Support Agreements*".

"**Matching Period**" has the meaning set out in "*The Arrangement Agreement – Summary of the Arrangement Agreement – Non-Solicitation Covenant – Choice Properties' Right to Match*".

"**Material Adverse Effect**" means, when used in connection with a Person, any change, effect, event, circumstance, fact or occurrence that, individually or in the aggregate with any other changes, effects, events, circumstances, facts or occurrences, (i) is or would reasonably be expected to be material and adverse to the condition (financial or otherwise), business, properties, assets, liabilities (including contingent liabilities) or results of operations (financial or otherwise) of such Person and its Subsidiaries, taken as a whole, or (ii) prevents or materially impairs or could reasonably be expected to prevent or materially impair the ability of such Person to consummate the transactions contemplated by the Arrangement Agreement on a timely basis; provided, however, that none of the following shall constitute or be taken into account in determining whether there has been, is or would be a Material Adverse Effect:

(a) any change, effect, event, circumstance, fact or occurrence affecting the Canadian or United States real estate industry in general;

(b) any change, effect, event, circumstance, fact or occurrence in global, national or regional political conditions (including the outbreak or escalation of hostilities, acts of war, sabotage or acts of terrorism);

(c) any change, effect, event, circumstance, fact or occurrence in currency exchange, interest or inflation rates or in general economic, business, regulatory, political or market conditions or in national or global financial or capital markets;

(d) any adoption, proposal, implementation or change in Law or any interpretation of Law by any Governmental Entity;

(e) any change in IFRS (or comparable applicable national accounting standards) or the implementation or interpretation thereof;

(f) any hurricane, flood, tornado, earthquake or other natural or man-made disaster;

(g) any matter that has been disclosed in the REIT Disclosure Letter (as defined in the Arrangement Agreement);

(h) in the case of the REIT or the Properties (as defined in the Arrangement Agreement), as applicable:

  (i) any action required to be taken or omitted pursuant to the Arrangement Agreement or taken (or omitted to be taken) at the written request of Choice Properties or taken with Choice Properties' consent; or

  (ii) any actions taken (or omitted to be taken) by Choice Properties or any of its affiliates or Representatives;

(i) in the case of Choice Properties:

  (i) any action required to be taken or omitted pursuant to the Arrangement Agreement or taken (or omitted to be taken) at the request of the REIT or taken with the REIT's consent; or

  (ii) any actions taken (or omitted to be taken) by the REIT or any of its affiliates or Representatives;

(j) the negotiation, execution, announcement or performance of the Arrangement Agreement or consummation of the Transaction, including any change related to the identity of Choice Properties, or facts and circumstances relating thereto, any loss or threatened loss of, or adverse change or

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

(k) any change in the market price or trading volume of any securities of the Person (it being understood that any cause underlying such change in market price may be taken into account in determining whether a Material Adverse Effect has occurred);

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

(m) any change in the credit ratings of the Person or any of its Subsidiaries (it being understood that any cause underlying such change it being understood that any cause underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred);

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

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

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

"**Mutual Fund Withholding Tax**" has the meaning set out in "*Certain Canadian Federal Income Tax Considerations – Non-Residents of Canada – Cash Redemption and Dissent – Distribution Paid on Redemption of a Unit for Cash Consideration and to Dissenting Unitholders*".

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

"**Non-Cash Consideration**" has the meaning set out in *"The Transaction – Treatment of REIT Securities – Units*".

"**Non-Resident Holder**" has the meaning set out in "*Certain Canadian Federal Income Tax Considerations – Non-Residents of Canada*".

"**Notice of Special Meeting**" means the notice of special meeting dated March 8, 2018 distributed by the REIT in connection with the Meeting.

"**Oak Brook Holdings**" means Oak Brook Place Shops Inc., a corporation incorporated under the laws of the state of Illinois and a wholly-owned subsidiary of the REIT.

"**Oak Brook LP**" means The Shops at Oak Brook Place Limited Partnership, a limited partnership established and subsisting under the laws of the state of Illinois, the general partner of which is The Shops at Oak Brook Place I, L.L.C. and the limited partner of which is The Shops at Oak Brook Place II, L.L.C.

"**Oak Brook Property**" means the land, buildings and ancillary properties constituting The Shops at Oak Brook, a retail shopping center in Oak Brook, Illinois that is wholly-owned by Oak Brook LP.

"**OBCA**" means the *Business Corporations Act* (Ontario).

"**Original Offer**" has the meaning set out in *"Background to the Transaction"*.

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

"**Parties**" means the parties to the Arrangement Agreement, being the REIT, CREIT GP and Choice Properties and "**Party**" means any one of them.

"**Party A**" has the meaning set out in "*Background to the Transaction"*.

"**Person**" includes an individual, general partnership, limited partnership, corporation, company, limited liability company, body corporate, joint venture, unincorporated organization, other form of business organization, trust, trustee, executor, administrator or other legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status.

"**Plan of Arrangement**" means the plan of arrangement, substantially in the form of Appendix "D" hereto, and any amendments or variations thereto made in accordance with the Arrangement Agreement, plan of arrangement or made at the direction of the Court in the Final Order (with the prior written consent of the REIT and Choice Properties, each acting reasonably).

"**Pre-Closing Notice**" means a notice to be executed by the Parties two Business Days prior to the Effective Date.

"**Pre-Effective Date Distributions**" has the meaning set out in "*Certain Canadian Federal Income Tax Considerations – Residents of Canada – Special Distribution and Pre-Effective Date Distributions*".

"**Pre-QE REIT Transactions**" means, collectively: (a) the transfers of interests in certain Subsidiaries by the REIT to REIT LP Subsidiary, (b) the transfers of certain assets, including REIT LP Subsidiary Units and certain interest-bearing loan receivables by the REIT to Choice Properties LP, (c) the repayment by the REIT of certain debts owing to third party creditors, and (d) the repurchase for cancellation of units of REIT LP Subsidiary held by the REIT for cash consideration, all under the Plan of Arrangement.

"**QE Redemption**" has the meaning set out in "*The Transaction – Arrangement Mechanics*".

"**QE Transactions**" has the meaning set out in section 2.15 of the Arrangement Agreement, and for greater certainty includes the QE Transfer, the QE Redemption and the RU Redemption.

"**QE Transfer**" has the meaning set out in "*The Transaction – Arrangement Mechanics*".

"**QE Transfer Assets**" means the properties to be transferred by the REIT to Choice Properties on the QE Transfer.

"**RBC Capital Markets**" means RBC Dominion Securities Inc.

"**Recapture Income**" has the meaning set out in "*Certain Canadian Federal Income Tax Considerations – Taxation of the REIT – Pre-Closing REIT Asset Transfer*".

"**Record Date**" means the record date to determine the entitlement of Unitholders to receive notice of, and to vote at, the Meeting or any adjournment or postponement thereof, being 5:00 p.m. (Toronto time) on March 2, 2018.

"**Registered Plans**" means trusts governed by registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), tax-free savings accounts (TFSAs), deferred profit sharing plans, registered education savings plans (RESPs) and registered disability savings plans (RDSPs), each as defined in the Tax Act.

"**Registered Unitholder**" means a registered holder of Units.

"**REIT**" means Canadian Real Estate Investment Trust, a trust established under the laws of the Province of Ontario.

"**REIT Asset Transfer**" has the meaning set out in "*Certain Canadian Federal Income Tax Considerations – Taxation of the REIT – Pre-Closing REIT Asset Transfer*".

"**REIT Exception**" has the meaning set out in "*Certain Canadian Federal Income Tax Considerations – Residents of Canada – Holding and Disposing of Choice Properties Units Received Pursuant to the Plan of Arrangement*".

"**REIT LP Subsidiary**" means CPH Master Limited Partnership, a limited partnership established under the laws of the Province of Ontario by the REIT for the purposes of participating in the Transaction.

"**REIT LP Subsidiary Unit**" means a limited partnership unit in the capital of REIT LP Subsidiary.

"**Remaining Choice Properties Units**" has the meaning set out in "*Procedure for the Delivery of Securities and Payment of Consideration – Delivery of Consideration*".

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

"**Resident Holder**" has the meaning set out in "*Certain Canadian Federal Income Tax Considerations – Residents of Canada*".

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

"**Restricted Units**" means the vested and unvested Units subject to and administered under the Restricted Unit Plan.

"**Revised Offer**" has the meaning set out in "*Background to the Transaction*".

"**RU Redemption**" has the meaning set out in "*The Transaction – Arrangement Mechanics*".

"**S&P**" means Standard & Poor's Global Ratings Service.

"**SEC**" has the meaning set out in "*Canadian Real Estate Investment Trust Management Information Circular – Information for U.S. Unitholders*".

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

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

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

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

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

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

"**SIFT**" has the meaning set out in "*Certain Canadian Federal Income Tax Considerations – Residents of Canada – Holding and Disposing of Choice Properties Units Received Pursuant to the Plan of Arrangement*".

"**SIFT Rules**" has the meaning set out in "*Certain Canadian Federal Income Tax Considerations – Residents of Canada – Holding and Disposing of Choice Properties Units Received Pursuant to the Plan of Arrangement*".

"**Special Distribution**" has the meaning set out in "*Certain Canadian Federal Income Tax Considerations – Taxation of the REIT – Computation of Income and Taxable Capital Gains of the REIT*".

"**Special Resolution**" means the special resolution of the Unitholders approving the Plan of Arrangement to be considered at the Meeting substantially in the form and content of Appendix "A" hereto.

"**Special Unit**" means a non-participating special voting unit of the REIT issued pursuant to the Declaration of Trust and having the attributes described therein.

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

"**Superior Proposal**" means any *bona fide* written Acquisition Proposal made after the date of the Arrangement Agreement that was not obtained due to a breach of Article 5 of the Arrangement Agreement and would result in any Person or group of Persons acquiring, directly or indirectly, all or substantially all of the consolidated assets of the REIT and its Subsidiaries or all of the voting or equity securities of the REIT that:

(a) did not result from a breach of any standstill or similar agreement between any one or more of the Persons making such Acquisition Proposal and its affiliates and the REIT;

(b) that is not subject to any financing condition and in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to be available to the satisfaction of the Board, acting in good faith (after receipt of advice from its financial advisors and its outside legal counsel);

(c) is, in the opinion of the Board (after consultation with outside legal counsel and financial advisers) reasonably capable of being completed in accordance with its terms without undue delay, taking into account all financial, legal, regulatory and other aspects of such proposal and the Person making such proposal;

(d) is not subject to any due diligence condition; and

(e) the Board determines in good faith (after consultation with outside legal counsel and financial advisers and after taking into account all the terms and conditions of the Acquisition Proposal, including all legal, financial, regulatory and other aspects of such Acquisition Proposal and the Person or group of Persons making such Acquisition Proposal), would reasonably be expected to, if consummated in accordance with its terms (but without assuming away the risk of non-completion), result in a transaction which is more favourable, from a financial point of view, to Unitholders than the Transaction (including any amendments to the terms and conditions of the Transaction as proposed by Choice Properties pursuant to the Arrangement Agreement).

"**Superior Proposal Notice**" has the meaning set out in "*The Arrangement Agreement – Summary of the Arrangement Agreement – Non-Solicitation Covenant – Choice Properties' Right to Match*".

"**Supplementary Information Request**" has the meaning set out in "*Principal Legal Matters – Regulatory Matters*".

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Tax Proposals**" has the meaning set out under the heading "*Certain Canadian Federal Income Tax Considerations"*.

"**TCP**" has the meaning set out in "*Certain Canadian Federal Income Tax Considerations – Non-Residents of Canada – Cash Redemption and Dissent – Distribution Paid on Redemption of a Unit for Cash Consideration and to Dissenting Unitholders*".

"**TCP Gains Balance**" has the meaning set out in "*Certain Canadian Federal Income Tax Considerations – Non-Residents of Canada – Cash Redemption and Dissent – Distribution Paid on Redemption of a Unit for Cash Consideration and to Dissenting Unitholders*".

"**TD Securities**" means TD Securities Inc.

"**Termination Fee**" means $95,000,000.

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

"**Transaction**" means the arrangement under section 182 of the OBCA and section 60 of the Trustee Act on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of the Interim Order, the Arrangement Agreement or the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the REIT, CREIT GP and Choice Properties, each acting reasonably.

"**Trustee**" means a trustee of the REIT.

"**Trustee Act**" means the *Trustee Act* (Ontario).

"**TSX**" means the Toronto Stock Exchange.

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

"**Unit Electing Unitholder**" means a Unitholder, other than a holder of Restricted Units in respect of such Restricted Units, who elects, or is deemed to have elected, to receive Non-Cash Consideration in exchange for one or more of such Unitholder's Units pursuant and subject to the provisions of the Plan of Arrangement.

"**Unitholder Approval**" has the meaning set out in "*The Transaction – Required Unitholder Approval*".

"**Unitholder Rights Plan**" means the amended and restated unitholder rights plan of the REIT dated as of May 18, 2017.

"**Unitholders**" means the registered and/or beneficial holders of the Units.

"**Updated Offer**" has the meaning set out in "*Background to the Transaction*".

"**U.S.**" or "**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended.

"**U.S. Property Transactions**" means collectively the transactions pursuant to which the Oak Brook Property and the shares of Oak Brook Holdings will be transferred by the REIT to Choice Properties (through their respective applicable subsidiaries) in accordance with the Plan of Arrangement, including the sale of the Oak Brook Property by Oak Brook LP to an affiliate of Choice Properties, the repayment of certain intercompany debts, the possible liquidation of certain subsidiaries of Oak Brook Holdings and the sale of the shares of Oak Brook Holdings by the REIT to Choice Properties LP, each as described in more detail in the Plan of Arrangement.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

"**VIF**" has the meaning set out in "*Canadian Real Estate Investment Trust Management Information Circular – Introduction*".

"**Voting and Support Agreements**" has the meaning set out in "*The Transaction – Voting and Support Agreements*".

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

CANADIAN REAL ESTATE INVESTMENT TRUST
MANAGEMENT INFORMATION CIRCULAR

Introduction

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of the REIT for use at the special meeting of Unitholders to be held at 1 King Street West, 2nd Level, Grand Banking Hall, Toronto, Ontario M5H 1A1, on April 11, 2018 at 10:00 a.m. (Toronto time) and any adjournment or postponement thereof for the purposes set forth in the accompanying Notice of Special Meeting.

No person has been authorized to give any information or to make representations in connection with the Transaction or any other matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation should not be considered to have been authorized by the REIT. If any such information or representation is given or made to you, you should not rely on it as having been authorized or as being accurate.

This Circular does not constitute an offer to acquire, or a solicitation of an offer to acquire, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.

All information relating to Choice Properties and its affiliates incorporated by reference or contained in this Circular has been taken from or based upon publicly available documents, records and other public sources or has been provided to the REIT by Choice Properties for inclusion in this Circular. The REIT has relied upon this information without having made independent inquiries as to the accuracy or completeness thereof; however, it has no reason to believe such information contains a misrepresentation. Neither the Board nor the REIT assumes any responsibility for the accuracy or completeness of such information or for any omission therein or for any failure on the part of Choice Properties to disclose facts or events which may affect the accuracy or completeness of any such information. In accordance with the Arrangement Agreement, Choice Properties provided the REIT with all necessary information concerning Choice Properties and its affiliates that is required to be included in this Circular and ensured that such information does not contain any misrepresentation (as such term is defined in the Arrangement Agreement).

All summaries of, and references to, the Transaction in this Circular are qualified in their entirety by reference to the complete text of the Plan of Arrangement, a copy of which is attached as Appendix "D" to this Circular, and the complete text of the Arrangement Agreement, a copy of which is available under the REIT's profile on SEDAR at www.sedar.com or upon request without charge to the Executive Vice President and Chief Financial Officer of the REIT at 175 Bloor Street East, North Tower, Suite 1400, Toronto, Ontario M4W 3R8 (telephone: 416-628-7872). **You are urged to carefully read the full text of these documents.**

Unitholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial or other matters in connection herewith.

The information contained in this Circular is given as at March 8, 2018, except where otherwise noted.

Special Resolution

At the Meeting, Unitholders will be asked to consider and vote on the Special Resolution approving the Plan of Arrangement under the OBCA and the Trustee Act, involving, among others, the REIT, CREIT GP and Choice Properties. Under the terms of the Transaction, announced prior to the open of the markets on February 15, 2018, Choice Properties will, among other things, acquire all of the REIT's assets and assume all of its liabilities, including long-term debt and all residual liabilities (other than certain credit facilities of the REIT that will be repaid in connection with the Transaction). The REIT will then redeem all of its outstanding Units for an aggregate of $22.50 in cash and 2.4904 Choice Properties Units per Unit, on a fully prorated

basis. Based on the Choice Properties Unit closing price of $12.49 as of February 14, 2018 (the date of the Arrangement Agreement), this represents $53.61 per Unit, which is a 23.1% premium to the Unit closing price as of February 14, 2018.

The aggregate Consideration will be comprised of approximately 58% in Choice Properties Units and 42% in cash. Unitholders will have the ability to choose whether to receive $53.75 in cash or 4.2835 Choice Properties Units for each Unit held, subject to proration. The maximum amount of cash, which will be funded by Choice Properties, payable to Unitholders by the REIT on the Cash Redemption will be $1,651,532,198. In addition, the REIT expects that approximately 183 million Choice Properties Units will be delivered by the REIT to Unitholders, based on the fully diluted number of Units outstanding as of the date of the Arrangement Agreement. Unitholders are expected to hold an approximate 27% effective interest in Choice Properties following completion of the Transaction.

Elections with respect to Consideration must be validly made prior to 5:00 p.m. (Toronto time) on April 9, 2018. If you are a Beneficial Unitholder, your broker, investment dealer or other intermediary may require that you complete your election at an earlier date. Registered Unitholders who do not make a valid election (or, in the case of Beneficial Unitholders, Beneficial Unitholders who fail to provide valid election instructions to their broker, investment dealer or other intermediary) will be deemed to have elected to receive Cash Consideration only, subject to proration (except for holders of Restricted Units, in respect of such Restricted Units).

Voting of Units

In order to determine how to vote at the Meeting, you must first determine whether you are a Registered Unitholder or a Beneficial Unitholder.

Registered Unitholders

You are a Registered Unitholder if your name appears on your certificate(s) representing your Units. If you are a Registered Unitholder, you may vote in person at the Meeting. Alternatively, if you would prefer not to attend the Meeting in person, you can exercise your right to vote by signing and returning the form of proxy in accordance with the directions on the form. You can complete and return the form of proxy in a number of ways:

(i) use the internet at www.astvotemyproxy.com;

(ii) call toll-free to 1-888-489-7352;

(iii) fax at 1-866-781-3111 (toll-free) or 416-368-2502;

(iv) use the business reply envelope provided;

(v) scan the QR Code in the proxy using your smartphone;

(vi) scan and send to proxyvote@astfinancial.com; or

(vii) deliver in person to AST Trust Company (Canada), 1 Toronto Street, Suite 1200, Toronto, Ontario M5C 2V6.

However you choose to vote, your vote must be received by 5:00 p.m. (Toronto time) on April 9, 2018 (or if the Meeting is adjourned or postponed, on the second last Business Day prior to the date of the adjourned or postponed Meeting). The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice.

If you have any questions with regard to the procedures for voting or completing your Letter of Transmittal and Election Form, please contact Laurel Hill, our proxy solicitation agent, by telephone at 1-877-452-7184 toll-free in North America or at 416-304-0211 for collect calls outside of North America or by e-mail at assistance@laurelhill.com.

Beneficial Unitholders

Most of the REIT's Unitholders are Beneficial Unitholders. You are a Beneficial Unitholder if you beneficially own Units that are held in the name of an intermediary such as a broker, investment dealer, bank, trust company, trustee, clearing agency (such as CDS) or other nominee. For example, you are a Beneficial Unitholder if you hold your Units in a brokerage account of any type. Intermediaries are required to seek voting instructions from Beneficial Unitholders in advance of meetings of Unitholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients. The form of proxy or voting instruction supplied to you by your intermediary will be similar to the proxy provided to Registered Unitholders by the REIT. However, its purpose is limited to instructing the intermediary on how to vote your Units on your behalf. Most intermediaries delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge mails a Voting Instruction Form ("**VIF**") in lieu of a form of proxy provided by the REIT. **For your Units to be voted, you must follow the instructions on the VIF that is provided to you.** You can complete the VIF by: (i) calling the phone number listed thereon; (ii) mailing the completed VIF in the envelope provided; or (iii) using the internet at www.proxyvote.com. Unitholders who have questions about deciding how to vote or who have additional questions about this Circular or the matters described in this Circular, please contact your professional advisors. Additionally, the REIT may utilize Broadridge's QuickVote™ service to assist Beneficial Unitholders with voting their Units. Certain Beneficial Unitholders who have not objected to the REIT knowing who they are (non-objecting beneficial owners) may be contacted by Laurel Hill to conveniently obtain a vote directly over the telephone.

If, as a Beneficial Unitholder, you choose to vote in person at the Meeting (or have another person attend and vote on your behalf): (a) insert your own name (or such other person's name) in the space provided or mark the appropriate box on the VIF to appoint yourself (or such other person) as the proxyholder; and (b) return the VIF in the envelope provided or as otherwise permitted by your intermediary. No other part of the form should be completed. In some cases, your intermediary may send you additional documentation that must also be completed in order for you to vote in person at the Meeting.

If you are a Beneficial Unitholder, your intermediary may require that you complete your election at a date and time earlier than on or before 5:00 p.m. (Toronto time) on April 9, 2018.

If you have any questions with regard to the procedures for voting or making your election, please contact Laurel Hill, our proxy solicitation agent, by telephone at 1-877-452-7184 toll-free in North America or at 416-304-0211 for collect calls outside of North America or by e-mail at assistance@laurelhill.com.

Caution Regarding Forward-Looking Statements and Information

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

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

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

By their nature, forward-looking statements and information are based on assumptions and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements, or industry results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements and information. In particular, there are certain risks related to the consummation of the Transaction and the business and operations of Choice Properties (including the business and operations that are currently being conducted and undertaken by Choice Properties and those that will be conducted and undertaken by Choice Properties upon consummation of the Transaction) including, but not limited to: risks regarding the actual consideration to be received by Unitholders due to proration; the risk that the exchange ratio is fixed and will not reflect any change in the market value of Choice Properties Units; risks with respect to the reliability of the information regarding Choice Properties included in, or which may have been omitted from, this Circular; the risk of failure to satisfy the conditions to completion of the Transaction, including failure to obtain required regulatory, Court and Unitholder approvals; the risk of an occurrence of a Material Adverse Effect in respect of the REIT or Choice Properties; risks related to the fees, costs and expenses associated with the Transaction; the risk that the market price of the Units may be materially adversely affected if the Transaction is not completed or its completion is materially delayed; the risk that the REIT may have to pay the Termination Fee; the risk that another attractive transaction may not be available in the event the Transaction is not completed; risks relating to the fact that while the Transaction is pending, the REIT is restricted from taking certain actions; the risk that the REIT's Trustees and officers may have interests in the Transaction that are different from those of Unitholders; risks related to the qualification of the QE Transactions; and risks related to the qualification by the REIT or Choice Properties for the REIT Exception. Certain risks and other factors with respect to Choice Properties following completion of the Transaction include, but are not limited to, the financial and operational performance of the combined entity, the capital requirements associated with Choice Properties following completion of the Transaction, dependence on key personnel, and the risk that Choice Properties following completion of the Transaction may not realize any of the benefits of its real estate portfolio. The business of Choice Properties following completion of the Transaction will also be subject to the risks currently affecting the business of Choice Properties. See "*Risk Factors*".

Although the REIT has attempted to identify in this Circular important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and information in this Circular and the documents incorporated by reference herein, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that

the forward-looking statements and information in this Circular and the documents incorporated by reference herein will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking statements and information. Accordingly, readers should not place undue reliance on forward-looking statements or information in this Circular, or on the documents incorporated by reference herein. Except as required by applicable Law, the REIT disclaims any intention or obligation to update or revise any of the forward-looking statements or forward-looking information in this Circular or the documents incorporated by reference herein, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements and information. All of the forward-looking statements made, and forward-looking information contained, in this Circular and incorporated by reference herein are qualified by these cautionary statements.

Information for U.S. Unitholders

THE TRANSACTION AND THE CHOICE PROPERTIES UNITS ISSUABLE PURSUANT TO THE TRANSACTION HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC") OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES, NOR HAS THE SEC OR ANY SUCH STATE REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF THE TRANSACTION OR UPON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

The Choice Properties Units to be received by Unitholders in exchange for Units pursuant to the Transaction have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws and will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in section 3(a)(10) thereof and pursuant to exemptions from registration under any applicable state securities laws. Section 3(a)(10) of the U.S. Securities Act exempts from the registration requirements under the U.S. Securities Act securities issued in exchange for outstanding securities where the terms and conditions of the issuance and exchange are approved by a court of competent jurisdiction that is expressly authorized by Law to grant such approval, after a hearing upon the fairness of such terms and conditions of such issuance and exchange at which all persons to whom the securities will be issued in such exchange have the right to appear and receive timely notice thereof. The Choice Properties Units received in exchange for the Units pursuant to the Transaction will be freely tradable under U.S. federal securities laws except by persons who are, or within 90 days prior to the Effective Time were, "affiliates" (as defined in Rule 144 under the U.S. Securities Act) of Choice Properties. Any such Choice Properties Units held by such an affiliate (or, if applicable, former affiliate) may only be resold in compliance with or pursuant to an exemption from the registration requirements of the U.S. Securities Act. See "*Principal Legal Matters – Securities Laws Matters – United States*".

The solicitation of proxies made in connection with this Circular is not subject to the requirements of section 14(a) of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with applicable Canadian disclosure requirements, which are different than the requirements applicable to proxy solicitations under the U.S. Exchange Act.

All financial statements and other financial information related to the REIT and Choice Properties included or incorporated by reference in this Circular have been prepared in accordance with IFRS and are subject to Canadian auditing and auditor independence standards, which differ from U.S. GAAP and U.S. auditing and auditor independence standards in certain material respects. Consequently, such financial statements and other financial information are not comparable in all respects to financial statements prepared in accordance with U.S. GAAP and that are subject to U.S. auditing and auditor independence standards.

The enforcement by investors of civil liabilities under U.S. securities laws may be affected adversely by the fact that each of the REIT and Choice Properties are existing under Canadian laws, that some or all of their respective officers and trustees are residents of countries other than the United States, that some or all of the experts named in this Circular are residents of countries other than the United States and that all or a substantial portion of the assets of the REIT and Choice Properties are located outside the United States. As

a result, it may be difficult or impossible for Unitholders to effect service of process within the United States upon the REIT and Choice Properties or their respective trustees or officers or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or the securities or "blue sky" laws of any state within the United States. In addition, Unitholders should not assume that the courts in Canada: (a) would enforce judgments of U.S. courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or the securities or "blue sky" laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or the securities or "blue sky" laws of any state within the United States.

Unitholders who are resident in, or citizens of, the United States are advised to consult their own tax advisors to determine the particular United States tax consequences to them of the Transaction in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local or other taxing jurisdiction. This Circular does not contain a description of the United States tax consequences of the Transaction or the ownership of Choice Properties Units.

Currency Presentation and Financial Principles

Unless otherwise indicated in this Circular, all currency amounts are expressed in Canadian dollars. References to "$" in this Circular refer to Canadian dollars.

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

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

QUESTIONS AND ANSWERS

The following are some questions that you, as a Unitholder, may have relating to the Meeting, and the answers to those questions. These questions and answers do not provide all the information relating to the Meeting or the matters to be considered at the Meeting and are qualified in their entirety by the more detailed information contained elsewhere in this Circular.

Unitholders are urged to read this Circular in its entirety before making a decision related to your Units.

1. Q: Why did I receive this package of information?

A: On February 14, 2018, the REIT, CREIT GP and Choice Properties entered into the Arrangement Agreement pursuant to which Choice Properties will, among other things, acquire all of the REIT's assets and assume all of its liabilities, including long-term debt and all residual liabilities (other than certain credit facilities of the REIT that will be repaid in connection with the Transaction). The REIT will then redeem all of its outstanding Units for an aggregate of $22.50 in cash and 2.4904 Choice Properties Units per Unit, on a fully prorated basis. Unitholders will have the ability to choose whether to receive $53.75 in cash or 4.2835 Choice Properties Units for each Unit held, subject to proration.

One of the conditions of the Transaction is that Unitholders approve the Special Resolution at the Meeting.

2. Q: When and where is the Meeting?

A: The Meeting will be held at 1 King Street West, 2nd Level, Grand Banking Hall, Toronto, Ontario M5H 1A1 on April 11, 2018 at 10:00 a.m. (Toronto time).

3. Q: What am I voting on?

A: At the Meeting, Unitholders will be asked to pass the Special Resolution approving the Transaction, including the Plan of Arrangement. The full text of the Special Resolution is set out in Appendix "A" to this Circular.

4. Q: Does the Board support the Transaction?

A: Yes. The Board (other than Trustees who did not vote due to the reasons set out below) is unanimously recommending that Unitholders vote **FOR** the Special Resolution approving the Transaction.

The Board diligently considered the terms of the Transaction and its impact on the REIT and the REIT's stakeholders. As part of that process, the REIT and Choice Properties negotiated the terms of the Arrangement Agreement. After considering a number of factors as described in this Circular under the heading "*Background to the Transaction – Reasons for the Recommendation*", including the Fairness Opinion, the Board (other than Trustees who did not vote due to the reasons set out below) unanimously determined that the Transaction is in the best interests of the REIT and its Unitholders.

Stephen E. Johnson serves as a member of senior management of the REIT and, as a result, abstained from voting and Anthony Fell abstained from voting and recused himself from all discussions in connection with the Transaction due to his historical relationship with Loblaw, including his past tenure as a member of the Loblaw board of directors.

5. Q: Have any Unitholders committed to voting for the Transaction?

A: Each of the Trustees and certain executive officers of the REIT, who collectively hold approximately 1.2% of the Units, have entered into voting and support agreements with Choice Properties in support of the Transaction and intend to vote their Units **FOR** the Special Resolution approving the Transaction.

6. Q: What will I receive in exchange for my Units on closing of the Transaction?

A: Unitholders will have the ability to choose whether to receive $53.75 in cash or 4.2835 Choice Properties Units for each Unit held, subject to proration. Subject to proration, a Unitholder may elect to receive Cash Consideration for any whole number of Units held by such Unitholder at the Effective Date and Non-Cash Consideration for the remaining whole number of Units held by such Unitholder at the Effective Date. See "*The Transaction – Treatment of REIT Securities – Units*".

If you are a Registered Unitholder, to make a valid election as to the form of Consideration that you wish to receive under the Transaction, you must sign the Letter of Transmittal and Election Form and make a proper election thereunder and return it with accompanying certificate(s) representing the Units to the Depositary prior to 5:00 p.m. (Toronto time) on April 9, 2018 (or if the Meeting is adjourned or postponed, prior to 5:00 p.m. (Toronto time) on the date that is two Business Days prior to the date of the adjourned or postponed Meeting, unless otherwise agreed in writing by Choice Properties and the REIT).

If you are a Beneficial Unitholder, you will not receive a Letter of Transmittal and Election Form. Your broker, investment dealer or other intermediary is required to seek your instructions as to how to vote your Units with respect to the Special Resolution and your election with respect to the Consideration. Please follow the instructions provided by such broker, investment dealer or other intermediary for assistance in making an election with respect to the form of Consideration you wish to receive. Each intermediary has its own signing and return instructions, which you should follow carefully to ensure your Units are voted and you receive your preferred Consideration. If you are a Beneficial Unitholder, your intermediary may require that you complete your election at a date and time earlier than on or before 5:00 p.m. (Toronto time) on April 9, 2018.

For further details of the Transaction, see "*The Transaction*".

7. Q: What if I do not submit a Letter of Transmittal and Election Form?

A: Registered Unitholders who do not make a valid election (or, in the case of Beneficial Unitholders, Beneficial Unitholders who fail to provide valid election instructions to their broker, investment dealer or other intermediary) will be deemed to have elected to receive Cash Consideration only, subject to proration (except for holders of Restricted Units, in respect of such Restricted Units).

8. Q: What are the Canadian federal income tax consequences of the Transaction?

A: The Transaction has been structured such that:

(a) Resident Holders who receive Choice Properties Units as consideration for Units will receive such Choice Properties Units on a tax-deferred "roll-over" basis for Canadian federal income tax purposes; and

(b) Resident Holders who receive cash consideration for Units will generally be considered to have realized a capital gain or capital loss equal to the amount by

which the cash consideration received on the redemption of their Units exceeds or is less than the adjusted cost base of such Units.

Non-Resident Holders who receive cash consideration for Units will be subject to Canadian withholding tax on the full amount of the cash consideration received. Non-Resident Holders who receive Choice Properties Units as consideration for Units will generally not be subject to Canadian tax on that exchange. **Non-Resident Holders should consult their own advisors regarding the U.S. or other foreign tax consequences of the Transaction.**

For further details, see "*Certain Canadian Federal Income Tax Considerations*".

9. Q: Is the completion of the Transaction subject to any other conditions?

A: Yes. In addition to the approval of the Special Resolution by Unitholders, the completion of the Transaction requires the approval of the Plan of Arrangement by the Court, the approval of the TSX, the Competition Act Approval being obtained and that the other conditions specified in the Arrangement Agreement be satisfied or, where permitted, waived. See "*The Arrangement Agreement*".

10. Q: When will the Transaction become effective?

A: Subject to obtaining Court approval and the satisfaction or, where permitted, waiver of all other conditions specified in the Arrangement Agreement, if Unitholders approve the Special Resolution, it is expected that closing will be completed in the second quarter of 2018.

11. Q: Can I sell my Units on the TSX for cash?

A: Generally speaking, Unitholders are free to sell their Units through the facilities of the TSX for cash at any time prior to the Unitholder electing his or her preferred form of Consideration. However, a valid election must be accompanied by the deposit of Units. If you are a Registered Unitholder, you will have to deposit your certificate(s) representing your Units with your Letter of Transmittal and Election Form when you elect your preferred form of Consideration. If you are a Beneficial Unitholder, this will be coordinated by your broker, investment dealer or other intermediary upon your instruction. Accordingly, after a valid election, you will not be entitled to sell your Units on the TSX. If you fail to make a valid election prior to the Election Deadline (or, if you are a Beneficial Unitholder, the time by which you are required to provide instructions to your broker, investment dealer or other intermediary), you will be deemed to have elected to receive Cash Consideration and you will also continue to be able to sell your Units on the TSX for cash at any time prior to the Effective Time. Any purchaser of such Units will also be deemed to have elected to receive Cash Consideration for those Units, in each case subject to proration. See "*Procedure for the Delivery of Securities and Payment of Consideration – Letter of Transmittal and Election Form*".

12. Q: Are Choice Properties Units listed on a stock exchange?

A: Yes. Choice Properties Units are currently listed on the TSX under the symbol "CHP.UN". Application has been made for the listing on the TSX of the Choice Properties Units to be issued in connection with the Transaction, which listing will be conditional on the satisfaction of certain standard conditions.

13. Q: Are there risks I should consider in deciding whether to vote for the Special Resolution?

A: Yes. There are a number of risks you should consider in connection with the Transaction, which are described in this Circular under the heading "*Risk Factors*".

14. Q: Who is soliciting my proxy?

A: Management of the REIT is soliciting your proxy with respect to matters to be considered at the Meeting. The cost of soliciting proxies will be borne by the REIT. The solicitation of proxies will primarily be by mail but proxies may also be solicited by telephone, fax or personally by the Trustees, officers, employees or agents of the REIT. In the case of Beneficial Unitholders, the REIT will provide proxy materials to CDS and request that such materials be forwarded to brokers, investment dealers and other intermediaries and request that such materials are, in turn, promptly forwarded on to the Beneficial Unitholders. In addition, the REIT has retained the services of Laurel Hill to solicit proxies.

Unitholders with questions about the procedures for voting or completing your Letter of Transmittal and Election Form can contact Laurel Hill by telephone at 1-877-452-7184 toll-free in North America or at 416-304-0211 for collect calls outside of North America or by e-mail at assistance@laurelhill.com.

15. Q: Will I be able to vote if the ownership of my Units has been transferred after the Record Date?

A: Pursuant to the Declaration of Trust, only Unitholders registered on the Record Date are entitled to vote at the Meeting.

16. Q: Am I a Registered Unitholder or a Beneficial Unitholder?

A: You are a Registered Unitholder if your name appears on your certificate(s) representing your Units. You are a Beneficial Unitholder if you beneficially own Units held in the name of an intermediary such as a broker, investment dealer, bank, trust company, trustee, clearing agency (such as CDS) or other nominee. For example, you are a Beneficial Unitholder if you hold your Units in a brokerage account of any type.

17. Q: How can I vote if I am a Registered Unitholder?

A: If you are a Registered Unitholder, you may vote in person at the Meeting. Alternatively, if you would prefer not to attend the Meeting in person, you can exercise your right to vote by signing and returning the form of proxy in accordance with the directions on the form. You can complete and return the form of proxy in a number of ways: (i) use the internet at www.astvotemyproxy.com; (ii) call toll-free to 1-888-489-7352; (iii) fax at 1-866-781-3111 (toll-free) or 416-368-2502; (iv) use the business reply envelope provided; (v) scan the QR Code in the proxy using your smartphone; (vi) scan and send to proxyvote@astfinancial.com; or (vii) deliver in person to AST Trust Company (Canada), 1 Toronto Street, Suite 1200, Toronto, Ontario M5C 2V6. However you choose to vote, your vote must be received by 5:00 p.m. (Toronto time) on April 9, 2018 (or if the Meeting is adjourned or postponed, on the second last Business Day prior to the date of the adjourned or postponed Meeting). The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice.

18. Q: How can I vote if I am a Beneficial Unitholder?

A: If you are a Beneficial Unitholder, you will receive a VIF for the number of Units that you hold. For your Units to be voted, you must follow the instructions on the VIF that is provided to you. You can complete the VIF by: (i) calling the phone number listed thereon; (ii) mailing the completed VIF in the envelope provided; or (iii) using the internet at www.proxyvote.com. Additionally, the REIT may utilize Broadridge's QuickVote™ service to assist Beneficial Unitholders with voting their Units. Certain Beneficial Unitholders who have not objected to the REIT knowing who they are (non-objecting beneficial owners) may be contacted by Laurel Hill to conveniently obtain a vote directly over the telephone.

If, as a Beneficial Unitholder, you choose to vote in person at the Meeting (or have another person attend and vote on your behalf): (a) insert your own name (or such other person's name) in the space provided or mark the appropriate box on the VIF to appoint yourself (or such other person) as the proxyholder; and (b) return the VIF in the envelope provided or as otherwise permitted by your intermediary. No other part of the form should be completed. In some cases, your intermediary may send you additional documentation that must also be completed in order for you to vote in person at the Meeting. If you are a Beneficial Unitholder, your intermediary may require that you complete your election at a date and time earlier than on or before 5:00 p.m. (Toronto time) on April 9, 2018.

19. Q: Who votes my Units and how will they be voted if I return a form of proxy or a VIF?

A: Each person named in the form of proxy to represent Registered Unitholders at the Meeting is a Trustee and/or officer of the REIT. However, you can appoint someone else to represent you at the Meeting. The person you appoint does not need to be a Unitholder but must attend the Meeting in order for your vote to be cast. If you wish to appoint a person other than the names that appear on the proxy, then insert the name of your chosen proxyholder in the space provided on the form of proxy.

The securities represented by the proxy or VIF will be voted in accordance with your instructions on any ballot that may be called for, and if you specify a choice with respect to any matter to be acted upon, such securities will be voted accordingly. The enclosed form of proxy or VIF also gives authority to the persons named on it to use their discretion in voting on amendments or variations to the matters identified in this Circular, or other matters that may properly come before the Meeting. If you appoint the Trustee and/or officer representatives as the proxyholder as designated in the enclosed form of proxy or VIF, unless otherwise specified, your Units will be voted at the Meeting **FOR** the approval of the Special Resolution as described in this Circular.

20. Q: Can I revoke a form of proxy or a VIF?

A: Yes. A Registered Unitholder who has given a proxy may revoke the proxy by: (i) completing and signing a form of proxy bearing a later date and depositing it with AST Trust Company (Canada); (ii) depositing an instrument in writing executed by the Unitholder or by the Unitholder's attorney authorized in writing, to the attention of the Executive Vice President and Chief Financial Officer of the REIT, at the registered office of the REIT at any time up to 5:00 p.m. (Toronto time) on April 9, 2018; or (iii) in any other manner permitted by Law.

If you are a Beneficial Unitholder, please contact your intermediary for instructions on how to revoke your voting instructions.

21. Q: What will happen if the Special Resolution is not approved or the Transaction is not completed for any reason?

A: If the Special Resolution is not approved or the Transaction is not completed for any reason, the Arrangement Agreement may be terminated. In certain circumstances, the REIT will be required to pay to Choice Properties a termination payment of $95 million in connection with such termination. See "*The Arrangement Agreement – Summary of the Arrangement Agreement – Termination Fee*".

22. Q: Do I have Dissent Rights?

A: The Interim Order expressly provides Registered Unitholders with the right to dissent from the Special Resolution as provided in the Plan of Arrangement. A Registered Unitholder who wishes to dissent must, among other things, provide a dissent notice to the REIT c/o Blake, Cassels & Graydon LLP, 199 Bay Street, Suite 4000, Toronto, Ontario M5L 1A9, Attention: Ryan Morris or by facsimile (416-863-2653) or by e-mail at: ryan.morris@blakes.com, no later than 5:00 p.m. (Toronto time) on April 9, 2018, or the second Business Day immediately preceding the date to which the Meeting is adjourned or postponed. Strict adherence to the procedures established in the Interim Order and the Plan of Arrangement is required in order to validly dissent and failure to do so may result in the loss of all Dissent Rights.

A vote against the Special Resolution will not constitute a dissent notice and the revocation of a proxy will not constitute a dissent notice. In addition to any other restrictions in the Declaration of Trust as applicable under the Interim Order, any Person who has voted in favour of the Transaction shall not be entitled to exercise Dissent Rights, and holders of Debentures and holders of Restricted Units shall not be entitled to exercise Dissent Rights in respect of Debentures and Restricted Units, respectively.

Beneficial Unitholders who wish to dissent should be aware that only Registered Unitholders are entitled to dissent. Accordingly, a Beneficial Unitholder desiring to exercise his, her or its right to dissent must make arrangements for the Registered Unitholder of his, her or its Units to dissent on his, her or its behalf. See "*Dissent Rights*".

23. Q: What if I have other questions?

A: Unitholders who have questions about deciding how to vote or who have additional questions about this Circular or the matters described in this Circular, please contact your professional advisors. Unitholders who have additional questions about the procedures for voting, completion of the Letter of Transmittal and Election Form or otherwise making an election can contact Laurel Hill, our proxy solicitation agent, by telephone at 1-877-452-7184 toll-free in North America or at 416-304-0211 for collect calls outside of North America or by e-mail at assistance@laurelhill.com.

SUMMARY

This summary is qualified in its entirety by the more detailed information appearing elsewhere, or incorporated by reference, in the Notice of Special Meeting and this Circular, including the appendices hereto which are incorporated into and form part of this Circular. Terms with initial capital letters in this summary are defined in the Glossary of Terms or elsewhere in this Circular.

The Transaction

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

Effects of the Transaction on Unitholders

Pursuant to the Transaction, Unitholders will have the ability to choose whether to receive $53.75 in cash (the "**Cash Consideration**") or 4.2835 Choice Properties Units (the "**Non-Cash Consideration**") for each Unit held, subject to proration. Subject to proration, a Unitholder may elect to receive Cash Consideration for any whole number of Units held by such Unitholder at the Effective Date and Non-Cash Consideration for the remaining whole number of Units held by such Unitholder at the Effective Date.

See "*The Transaction – Treatment of REIT Securities – Units*".

The Meeting and Record Date

The Meeting will be held on April 11, 2018 at 10:00 a.m. (Toronto time) at 1 King Street West, 2nd Level, Grand Banking Hall, Toronto, Ontario M5H 1A1. The Board has fixed the close of business (Toronto time) on March 2, 2018, as the Record Date for the purpose of determining Unitholders entitled to receive the Notice of Special Meeting and to vote at the Meeting. See "*General Proxy Matters – Record Date*".

Purpose of the Meeting

The purpose of the Meeting will be (i) to consider, pursuant to the Interim Order, and to vote on, with or without variation, the Special Resolution, and (ii) to transact such other business as may properly be brought before the Meeting.

Background to the Transaction

The Arrangement Agreement is the result of arm's length negotiations conducted between representatives of the REIT and Choice Properties and their respective legal and financial advisors. For a summary of material events that preceded the execution of the Arrangement Agreement, see "*Background to the Transaction*".

Fairness Opinion

RBC Capital Markets delivered its opinion to the Board to the effect that, as of February 14, 2018, and based upon and subject to the assumptions, limitations, qualifications and other matters stated in the Fairness Opinion, the consideration under the Transaction is fair, from a financial point of view, to the Unitholders. A copy of the Fairness Opinion is attached as Appendix "E".

The Fairness Opinion does not constitute a recommendation to Unitholders with respect to the Special Resolution. See "*Background to the Transaction – Fairness Opinion*" and Appendix "E".

Recommendation of the Board

After careful consideration and consultation with their financial and legal advisors, the Board (other than Trustees who did not vote due to the reasons set out below) unanimously determined that the Transaction is in the best interests of the REIT and its Unitholders. **Accordingly, the Board (other than Trustees who did not vote due to the reasons set out below) unanimously recommends that the Unitholders vote FOR the Special Resolution approving the Transaction.** Stephen E. Johnson serves as a member of senior management of the REIT and, as a result, abstained from voting and Anthony Fell abstained from voting and recused himself from all discussions in connection with the Transaction due to his historical relationship with Loblaw, including his past tenure as a member of the Loblaw board of directors. See "*Background to the Transaction – Recommendation of the Board*".

Reasons for the Recommendation

In making its recommendation, the Board has carefully considered the Transaction and consulted with and received advice from its financial and legal advisors. The Board reviewed a significant amount of information and considered a number of factors in making its recommendation to Unitholders to vote FOR the Special Resolution approving the Transaction, including the following:

- **Premium over trading price of the Units.** Pursuant to the Transaction, the REIT will redeem all of its outstanding Units for an aggregate of $22.50 in cash and 2.4904 Choice Properties Units per Unit, on a fully prorated basis. Based on the Choice Properties Unit closing price of $12.49 as of February 14, 2018, the date of the Arrangement Agreement, this represents $53.61 per Unit, which is a 23.1% premium to the Unit closing price as of such date and a 10.9% premium to research analyst consensus net asset value for the REIT.

- **Choice and liquidity for Unitholders.** The Transaction provides that Unitholders will have the ability to choose whether to receive $53.75 in cash or 4.2835 Choice Properties Units for each Unit held, subject to proration.

- **Benefits of continued ownership in the combined entity.** The Transaction provides Unitholders with the opportunity to participate in the ownership of Choice Properties post-Transaction, which will be Canada's largest real estate investment trust with an enterprise value of approximately $16 billion and a significant development pipeline, including benefits arising from the following:

    - a retail portfolio focused on necessity based retailers that provide a solid foundation of stable and growing cash flows, with the remaining portfolio diversified by high-quality industrial assets and office assets located in Canada's largest markets;

    - industry-leading operating and development capabilities as well as an unparalleled diversified portfolio comprising 752 properties with 69 million square feet of gross leasable area, with broad geographic diversification of properties across Canada and an average lease term of 8.4 years (relative to the REIT's current average lease term of 5.1 years);

    - committed and long-term support from Loblaw and George Weston Limited with *pro forma* combined ownership of approximately 65% and continued relationship through Loblaw's strategic alliance agreement with Choice Properties, providing access to future tenancy and related opportunities with Loblaw, Shoppers Drug Mart and other members of the Loblaw group; and

    - a consolidated development pipeline that presents meaningful value creation opportunities, including potential to capitalize on an established retail development

and intensification program and to leverage joint venture partnerships to access attractive sites to fuel additional development.

- **70% increase in distributions.** Choice Properties' current intention is to maintain its current distribution of $0.74 per Choice Properties Unit on an annual basis. To the extent Unitholders elect Choice Properties Units under the Transaction (subject to proration), the annual distribution on the 4.2835 Choice Properties Units received for each Unit would represent an increase of approximately 70% over the current annual distribution on a Unit.

- **Conservative capital structure with BBB rating.** Following the Transaction, Choice Properties intends to maintain a stable and prudent capital structure and to maintain its BBB credit rating, which was confirmed by both DBRS and S&P following the announcement of the Transaction on February 15, 2018. Unitholders will continue to benefit from a solid balance sheet and strong credit metrics that have the capacity and flexibility to support the combined entity's growth initiatives.

- **Best-in-class leadership of combined entity**. Management responsibilities within Choice Properties post-Transaction will be allocated among an experienced and sophisticated management team including members drawn from both the REIT and Choice Properties. The current management of the REIT that will assume leadership roles in Choice Properties are Mr. Stephen Johnson, as President and Chief Executive Officer, Mr. Rael Diamond, as Chief Operating Officer, and Mr. Mario Barrafato, as Chief Financial Officer.

- **Compelling value relative to alternatives reviewed.** In light of the risks and potential upside associated with the REIT continuing to execute its business and strategic plan as a standalone entity, as opposed to the Transaction or other strategic alternatives, the Board has determined that the combined entity will be better positioned to pursue a growth and value-maximizing strategy as a result of the anticipated benefits of the Transaction.

- **Fairness Opinion.** RBC Capital Markets delivered its opinion to the Board to the effect that, as of February 14, 2018, and based upon and subject to the assumptions, limitations, qualifications and other matters contained therein, the consideration under the Transaction is fair, from a financial point of view, to the Unitholders.

- **Arm's length negotiation.** The Arrangement Agreement is the result of a rigorous negotiation process that was undertaken at arm's length with the oversight and participation of the Board and the REIT's outside financial and legal advisors.

- **Reasonable likelihood of completion.** The Transaction is not subject to any due diligence condition or financing condition and the Board believes that the closing conditions that are outside of the control of the REIT are reasonable such that the likelihood of the Transaction being completed is considered by the Board to be high.

- **Opportunity for tax deferral for Resident Holders.** By providing Unitholders the ability to elect Non-Cash Consideration, the Transaction provides, subject to proration, an opportunity for Resident Holders to defer the Canadian federal income tax that otherwise might be payable if such Resident Holders received Cash Consideration for their Units. The Transaction has been structured such that Resident Holders who receive Choice Properties Units as consideration for Units will receive such Choice Properties Units on a tax-deferred "roll-over" basis for Canadian federal income tax purposes.

- **Ability to respond to superior proposals.** Under the Arrangement Agreement, the Board remains able to respond to and accept, in accordance with its fiduciary duties, unsolicited proposals that are more favourable from a financial point of view than the Transaction, subject to payment of the Termination Fee to Choice Properties.

- **Voting support agreements**. The voting support agreements described under "*The Transaction – Voting and Support Agreements*" were entered into pursuant to which the Trustees and certain executive officers of the REIT agreed, among other things, to vote in favour of the Transaction.

- **Procedural matters.** The Board considered the fact that: (a) the Transaction must be approved by at least 66 $^{2}/_{3}$% of the votes cast by Unitholders, voting as a single class, present in person or represented by proxy at the Meeting; (b) Registered Unitholders who do not vote in favour of the Special Resolution have the ability to exercise Dissent Rights and, if validly exercised, to receive fair value for their Units; and (c) the Transaction requires approval by the Court.

See "*Background to the Transaction – Reasons for the Recommendation*". The Board's reasons contain forward-looking information, and are subject to various risks and assumptions. See "*Caution Regarding Forward-Looking Statements and Information*", "*Risk Factors*" and the risk factors described under the heading "*Risk Factors*" in Appendix "F" – *Information Concerning the REIT* and Appendix "G" – *Information Concerning Choice Properties*.

Effects of the Transaction on Debentures

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

See "*The Transaction – Treatment of REIT Securities – Debentures*".

Information Concerning the REIT

The REIT is an unincorporated closed-end investment trust governed by the laws of the Province of Ontario and created pursuant to the Declaration of Trust.

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

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

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

See Appendix "F" – *Information Concerning the REIT*.

Information Concerning Choice Properties

Choice Properties is an owner, manager and developer of well-located retail and other commercial properties across Canada. Choice Properties is one of Canada's largest retail real estate investment trusts,

with a portfolio comprised of 546 properties with a total gross leasable area of 44.1 million square feet as at December 31, 2017. Choice Properties' portfolio includes 525 retail properties, 14 industrial properties, one office complex, and six undeveloped parcels of land. The retail properties are made up of: (i) 318 properties with a stand-alone Loblaw-bannered retail store; (ii) 199 properties anchored by a retail store operating under a Loblaw banner that also contain one or more ancillary tenants; and (iii) eight properties containing only ancillary tenants.

The parent company of Choice Properties is Loblaw, which holds an approximate 82% effective interest in Choice Properties. Loblaw's majority shareholder is George Weston Limited, which also holds an approximate 6% effective interest in Choice Properties.

See Appendix "G" – *Information Concerning Choice Properties*.

Information Concerning Choice Properties Post-Transaction

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

Following completion of the Transaction, Loblaw and George Weston Limited are expected to hold an approximate 62% and 4% effective interest in Choice Properties, respectively.

See Appendix "H" – *Information Concerning Choice Properties Post-Transaction*.

Conditions to the Transaction

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

See "*The Arrangement Agreement – Summary of the Arrangement Agreement – Conditions*".

Risk Factors

The Transaction is subject to a number of risks, including risks related to Choice Properties. Unitholders should carefully consider the risks and uncertainties together with all the other information set out in, or incorporated by reference into, this Circular prior to making a decision as to how to vote their Units and whether to elect to receive Cash Consideration or Non-Cash Consideration, subject to proration. They should also consider the relative values of the Cash Consideration versus the Non-Cash Consideration.

Risks and uncertainties relating to the Transaction and the business of Choice Properties are described under "*Risk Factors*".

Description of the Transaction

Upon the Transaction becoming effective, the steps set out in the Plan of Arrangement will occur and will be deemed to occur in the order set out in the Plan of Arrangement without any further act or formality. None of the steps in the Plan of Arrangement will occur unless all of the steps in the Plan of Arrangement occur.

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

In addition, under the Transaction, the REIT will transfer the shares of CREIT GP to Eastern GP Parentco (as defined in the Plan of Arrangement), and Eastern GP Parentco will resolve to voluntarily dissolve CREIT GP, in accordance with section 193 of the OBCA, following the acquisition of Eastern GP Parentco by Choice Properties.

The foregoing description is qualified in its entirety by reference to the full text of the Plan of Arrangement which is attached as Appendix "D" to this Circular. See "*The Transaction – Arrangement Mechanics*" and Appendix "D".

Arrangement Agreement

The Arrangement Agreement was signed on February 14, 2018 and provides the terms and conditions pursuant to which the Transaction is to be completed.

See "*The Arrangement Agreement*".

Termination Fee

In certain circumstances upon the termination of the Arrangement Agreement, the REIT will be required to pay the Termination Fee, equal to $95 million, to Choice Properties.

See "*The Arrangement Agreement – Summary of the Arrangement Agreement – Termination Fee*".

Court Approval

The Plan of Arrangement requires Court approval. Prior to the mailing of this Circular, the Interim Order was obtained from the Court. The Interim Order and Notice of Application for the Final Order are attached to this Circular as Appendix "B" and "C", respectively. The Interim Order, among other things, provides for the calling and holding of the Meeting and other procedural matters. The Interim Order does not constitute approval of the Plan of Arrangement or the contents of this Circular by the Court. Subject to the terms of the Plan of Arrangement and the Interim Order, if the Special Resolution is approved by Unitholders at the Meeting, the REIT will apply to the court to obtain the Final Order. The hearing in respect of the Final Order is scheduled to take place at the Court located at 330 University Avenue, Toronto, Ontario M5G 1R7 on April 13, 2018 at 10:00 a.m. (Toronto time).

Under the terms of the Interim Order, each Unitholder, each Trustee, the auditors of the REIT and any other interested person will have the right to appear and make submissions at the hearing of the application for the Final Order. Any person desiring to appear at the hearing of the application for the Final Order is required to indicate his, her or its intention to appear by filing with the Court and serving upon the REIT at the address set out below, no less than four Business Days before the hearing of the application for the Final Order, a notice of appearance, including his, her or its address for service, together with all materials on which he, she or it intends to rely at the application hearing. The notice of appearance and supporting materials must be delivered, within the time specified, to the REIT at the following address: c/o Blake, Cassels & Graydon LLP, 199 Bay Street, Suite 4000, Toronto, Ontario M5L 1A9, Attention: Ryan Morris.

Unitholders who wish to participate in or be represented at the Court hearing for the Final Order should consult their legal advisors as to the necessary requirements.

The authority of the Court is very broad. The Court may make any enquiry it considers appropriate and may make any order it considers appropriate with respect to the Plan of Arrangement. The Court will consider, among other things, the fairness and reasonableness of the Plan of Arrangement to the Unitholders. The Court may approve the Plan of Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit.

See "*Principal Legal Matters – Court Approval Process*".

Unitholder Approval

If the Special Resolution is approved by the affirmative vote of at least two-thirds (66 $^{2}/_{3}$%) of the votes cast by Unitholders present in person or represented by proxy at the Meeting and entitled to vote, and all of the other conditions to closing of the Transaction are satisfied or, where permitted, waived, the Transaction will be implemented by way of the Plan of Arrangement.

The Special Resolution must receive Unitholder Approval in order for the REIT to seek the Final Order and implement the Transaction on the Effective Date in accordance with the Final Order. Notwithstanding the receipt of Unitholder Approval, the REIT and Choice Properties reserve the right in certain circumstances to not proceed with the Transaction in accordance with the terms of the Arrangement Agreement.

See "*The Transaction – Required Unitholder Approval*".

Choice Properties Unitholder Approval

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

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

Stock Exchange Matters

Choice Properties

The Choice Properties Units are currently listed on the TSX under the symbol "CHP.UN". Application has been made for the listing on the TSX of the Choice Properties Units to be issued in connection with the Transaction, which listing will be conditional on the satisfaction of certain standard conditions.

The REIT

The Units are currently listed on the TSX under the symbol "REF.UN". Following the completion of the Transaction, the Units are expected to be de-listed from the TSX.

Treatment of Restricted Units

Certain senior officers of the REIT are holders of Restricted Units under the Restricted Unit Plan. These include vested and unvested Restricted Units subject to and administered under the Restricted Unit Plan. Under the Plan of Arrangement, Choice Properties will assume the obligations of the REIT under the Restricted Unit Plan and holders of Restricted Units will have each Restricted Unit redeemed for the Non-Cash Consideration. The Choice Properties Units that holders of Restricted Units receive will be subject to the same vesting, forfeiture and disposition provisions and such other terms and conditions as are applicable to the Restricted Units pursuant to the Restricted Unit Plan immediately prior to the completion of

the Transaction. As such, holders of Restricted Units will not have the ability to elect, in respect of such Restricted Units, between Cash Consideration and Non-Cash Consideration, and the Non-Cash Consideration to be received by holders of Restricted Units, in respect of such Restricted Units, will not be subject to proration.

Dissent Rights

The Interim Order expressly provides Registered Unitholders with the right to dissent from the Special Resolution as provided in the Plan of Arrangement. A Registered Unitholder who wishes to dissent must provide a dissent notice to the REIT c/o Blake, Cassels & Graydon LLP, 199 Bay Street, Suite 4000, Toronto, Ontario M5L 1A9, Attention: Ryan Morris or by facsimile (416-863-2653) or by e-mail at: ryan.morris@blakes.com, no later than 5:00 p.m. (Toronto time) on April 9, 2018, or the second Business Day immediately preceding the date to which the Meeting is adjourned or postponed. Strict adherence to the procedures established in the Interim Order and the Plan of Arrangement is required in order to validly dissent and failure to do so may result in the loss of all Dissent Rights. Accordingly, each Unitholder who might desire to exercise the Dissent Rights should carefully consider and comply with the provisions of the Plan of Arrangement and Interim Order and consult such Unitholder's legal advisor.

See "*Dissent Rights*".

Procedure for Election to Receive Consideration by Unitholders

Each Registered Unitholder will have the ability to elect in the Letter of Transmittal and Election Form the form of Consideration that the Registered Unitholder wishes to receive under the Transaction, subject to proration. If you are a Registered Unitholder, to make a valid election as to the form of Consideration that you wish to receive under the Transaction, you must sign the Letter of Transmittal and Election Form and make a proper election thereunder and return it with accompanying certificate(s) representing the Units to the Depositary prior to 5:00 p.m. (Toronto time) on April 9, 2018 (or if the Meeting is adjourned or postponed, prior to 5:00 p.m. (Toronto time) on the date that is two Business Days prior to the date of the adjourned or postponed Meeting, unless otherwise agreed in writing by Choice Properties and the REIT).

An election will have been properly made by a Registered Unitholder only if the Depositary has received, by the Election Deadline, the Letter of Transmittal and Election Form properly completed and signed and accompanied by the certificate(s) for the Units to which such Letter of Transmittal and Election Form relates, properly endorsed or otherwise in proper form for transfer.

If you are a Beneficial Unitholder whose Units are registered in the name of a broker, investment dealer or other intermediary, you should contact that broker, investment dealer or other intermediary for instructions and assistance in delivery of the certificate(s) representing the Units and making an election with respect to the form of Consideration that you wish to receive. Your broker, investment dealer or other intermediary may require that you complete your election at an earlier date prior to 5:00 p.m. (Toronto time) on April 9, 2018.

The determination of the REIT, in its sole discretion, as to whether elections have been properly made or revoked and when elections and revocations were received by the Depositary will be binding.

REGISTERED UNITHOLDERS WHO DO NOT MAKE AN ELECTION PRIOR TO THE ELECTION DEADLINE (OR, IN THE CASE OF A BENEFICIAL UNITHOLDER, THE TIME BY WHICH SUCH BENEFICIAL UNITHOLDER IS REQUIRED TO PROVIDE INSTRUCTIONS TO THEIR BROKER, INVESTMENT DEALER OR OTHER INTERMEDIARY), OR FOR WHOM THE REIT DETERMINES THAT THEIR ELECTION WAS NOT PROPERLY MADE WITH RESPECT TO ANY SECURITIES, WILL BE DEEMED TO HAVE ELECTED TO RECEIVE CASH CONSIDERATION ONLY (EXCEPT FOR HOLDERS OF RESTRICTED UNITS, IN RESPECT OF SUCH RESTRICTED UNITS), SUCH DEEMED ELECTION TO BE SUBJECT TO PRORATION.

The Depositary may, with the agreement of the REIT, acting reasonably, make such rules as are consistent with the Transaction for the implementation of elections contemplated by the Transaction and as are necessary or desirable to fully effect such elections.

Under the Transaction, the aggregate Consideration will be comprised of approximately 58% in Choice Properties Units and 42% in cash. The maximum amount of cash, which will be funded by Choice Properties, payable to Unitholders by the REIT on the Cash Redemption will be $1,651,532,198. In addition, the REIT expects that approximately 183 million Choice Properties Units will be delivered by the REIT to Unitholders, based on the fully diluted number of Units outstanding as of the date of the Arrangement Agreement. If Unitholders elect, in the aggregate, to receive cash that is more or less than the Aggregate Cash Consideration, the actual amount of cash to be paid, and the actual number of Choice Properties Units to be delivered, to each Unitholder will be subject to proration (except for holders of Restricted Units, in respect of such Restricted Units).

See "*Procedure for the Delivery of Securities and Payment of Consideration*".

Procedure for Receiving Consideration

The Arrangement Agreement contemplates that following receipt of the Final Order and not later than the last Business Day prior to the filing by the REIT and CREIT GP of the Articles of Arrangement, Choice Properties will provide the Depositary with (a) sufficient funds to allow the REIT to pay the Cash Consideration for all of the Units to be redeemed for cash pursuant to the Transaction in accordance with the Plan of Arrangement; and (b) an irrevocable treasury direction in respect of the aggregate number of Choice Properties Units required to allow the REIT to pay the Non-Cash Consideration. The funds and treasury direction will be held by the Depositary in escrow on terms and conditions satisfactory to the REIT and Choice Properties, each acting reasonably.

The Depositary will act as the agent of Persons who have deposited Units pursuant to the Transaction for the purpose of receiving payment from the REIT in accordance with the Plan of Arrangement, and transmitting payment from the REIT in accordance with the Plan of Arrangement, to such Persons, and receipt of payment by the Depositary will be deemed to constitute receipt of payment by Persons depositing Units.

In accordance with the timing set out in the Plan of Arrangement, the Depositary will, in the case of the Unitholders entitled to Cash Consideration and any other entitlements under the Transaction, cause individual cheques (or, if required by applicable Law, wire transfers) and, in the case of the Unitholders entitled to Non-Cash Consideration, cause certificates representing Choice Properties Units, to be sent to those Persons who have deposited a Letter of Transmittal and Election Form, duly completed and executed in the manner described therein, together with the certificate(s) representing such Unitholders' Units, and accompanied by such other documents and instruments as the Depositary may reasonably require. Such cheques, wire transfers and certificates shall be:

(a) in the case of cheques and certificates, forwarded by first class mail, postage pre-paid, to the Person and at the address specified in the relevant Letter of Transmittal and Election Form or, if no address has been specified therein, at the address specified for the particular Unitholder in the register of the Unitholders of the Units;

(b) in the case of wire transfers, sent to an account pursuant to arrangements made with the Depositary; or

(c) if requested by such Unitholder in the Letter of Transmittal and Election Form, made available or caused to be made available at the Depositary for pick up by such Unitholder.

If you are a Beneficial Unitholder whose Units are registered in the name of a broker, investment dealer or other intermediary, you should contact that broker, investment dealer or other intermediary for instructions and assistance in delivery of the certificate(s) representing the Units and making an election with respect to

the form of Consideration that you wish to receive. Beneficial Unitholders will have their brokerage accounts credited with the Consideration payable to them in connection with the Transaction and in accordance with the terms of this Circular and the Letter of Transmittal and Election Form through their broker's, investment dealer's or other intermediary's position in CDS.

All amounts receivable by the Unitholders pursuant to the Transaction shall be without interest.

See "*Procedure for the Delivery of Securities and Payment of Consideration – Delivery of Consideration*".

Timing of Completion of the Transaction

Subject to obtaining Court approval and the satisfaction or, where permitted, waiver of all other conditions specified in the Arrangement Agreement, if Unitholders approve the Special Resolution, it is expected that closing will be completed in the second quarter of 2018.

Extension of Annual Meeting Deadline

If the Special Resolution is approved at the Meeting, the Declaration of Trust will, if necessary, be amended and restated to provide that the annual meeting of Unitholders in respect of the year ended December 31, 2017 shall be held within nine months after the end of such fiscal year.

Securities Laws Matters

Canada

Distribution of Choice Properties Units

The distribution of the Choice Properties Units on the Effective Date pursuant to the Transaction will be made pursuant to exemptions from the prospectus requirements contained in applicable securities legislation in the provinces and territories of Canada. Under applicable securities laws, the Choice Properties Units distributed in connection with the Transaction may be resold in Canada without hold period restrictions, except that any person, company or combination of persons or companies holding a sufficient number of Choice Properties Units to affect materially the control of Choice Properties will be restricted in reselling such Choice Properties Units pursuant to securities laws applicable in Canada.

See "*Principal Legal Matters – Securities Laws Matters – Canada – Issuance of Choice Properties Units*".

MI 61-101 Requirements

MI 61-101 regulates transactions which raise the potential for conflicts of interest, including issuer bids, insider bids, related party transactions and business combinations. MI 61-101 is intended to ensure that all securityholders are treated in a manner that is fair and that is perceived to be fair with respect to these transactions.

Unless certain exceptions apply, the Transaction would constitute a "business combination" for the purposes of MI 61-101, and the requirements of MI 61-101 would apply, including the requirements to obtain minority approval and a formal valuation of the REIT. The Board has determined that the Transaction does not constitute a "business combination" for the purposes of MI 61-101.

See "*Principal Legal Matters – Securities Laws Matters – Canada – MI 61-101 Requirements*", "*Interests of Certain Persons or Companies in Matters to be Acted Upon – Interests of Certain Persons in the Transaction*" and "*The Transaction – Treatment of REIT Securities*".

United States

The Choice Properties Units to be received by Unitholders in exchange for Units pursuant to the Transaction have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws and will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in section 3(a)(10) thereof and pursuant to exemptions from registration under any applicable state securities laws. Section 3(a)(10) of the U.S. Securities Act exempts from the registration requirements under the U.S. Securities Act securities issued in exchange for outstanding securities where the terms and conditions of the issuance and exchange are approved by a court of competent jurisdiction that is expressly authorized by Law to grant such approval, after a hearing upon the fairness of such terms and conditions of such issuance and exchange at which all persons to whom the securities will be issued in such exchange have the right to appear and receive timely notice thereof. In determining whether it is appropriate to approve the Plan of Arrangement, the Court will consider whether the terms and conditions of the Plan of Arrangement are fair to Unitholders. The Choice Properties Units received in exchange for the Units pursuant to the Transaction will be freely tradable under U.S. federal securities laws except by persons who are, or within 90 days prior to the Effective Time were, affiliates (as defined in Rule 144 under the U.S. Securities Act) of Choice Properties. Any such Choice Properties Units held by such an affiliate (or, if applicable, former affiliate) may only be resold in compliance with or pursuant to an exemption from the registration requirements of the U.S. Securities Act.

The solicitation of proxies made in connection with this Circular is not subject to the requirements of section 14(a) of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with applicable Canadian disclosure requirements, which are different than the requirements applicable to proxy solicitations under the U.S. Exchange Act.

See "*Principal Legal Matters – Securities Laws Matters – United States*" and "*Canadian Real Estate Investment Trust Management Information Circular – Information for U.S. Unitholders*".

Certain Canadian Federal Income Tax Considerations

The following summary is subject to the conditions, limitations, and assumptions, and the more detailed discussion contained in "*Certain Canadian Federal Income Tax Considerations*" in this Circular, which Unitholders should review in detail.

A Resident Holder who disposes of a Unit pursuant to the Cash Redemption will generally be considered to have realized a capital gain (or a capital loss) equal to the amount, if any, by which the amount received on Cash Redemption for the Unit, net of any reasonable costs of disposition, exceeds (or are less than) the adjusted cost base of the Unit to the Resident Holder immediately prior to the Cash Redemption.

Provided that the REIT and Choice Properties file the required election under section 132.2 of the Tax Act in the manner and time prescribed, the redemption of a particular Unit of a Resident Holder in exchange for the delivery by the REIT of Choice Properties Units will be part of a "qualifying exchange" as defined in section 132.2 of the Tax Act. Accordingly, on the disposition by a Resident Holder of such a Unit to the REIT in exchange for Choice Properties Units on the QE Redemption, the Resident Holder's proceeds of disposition for the Unit disposed of, and the cost to the Resident Holder of the Choice Properties Units received in exchange therefor, will be deemed to be equal to the adjusted cost base to the Resident Holder of such Unit immediately prior to the QE Redemption.

Resident Holders who receive Non-Cash Consideration in exchange for a particular Unit should generally not realize any income or capital gain as a result of such exchange. Non-Resident Holders who receive Non-Cash Consideration in exchange for a particular Unit should generally not be subject to Canadian tax as a result of such exchange.

The entire amount paid to a Non-Resident Holder on the redemption of a particular Unit pursuant to the Cash Redemption or the disposition of a Dissenting Unit, as applicable, will generally be subject to Canadian withholding tax.

Non-Resident Holders should consider disposing of their Units on the TSX with a settlement date that is prior to the Effective Date and should consult their own tax and investment advisors with regard to this decision.

See "*Certain Canadian Federal Income Tax Considerations*".

GENERAL PROXY MATTERS

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the REIT's management for use at the Meeting. The solicitation of proxies will primarily be by mail but proxies may also be solicited by telephone, fax or personally by the Trustees, officers, employees or agents of the REIT. In addition, the REIT has retained the services of Laurel Hill to solicit proxies for a fee of $55,000 plus out-of-pocket expenses and to indemnify it against certain liabilities arising out of or in connection with such engagement. The cost of solicitation will be borne by the REIT. The REIT will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for any reasonable expenses incurred in sending proxy material to beneficial owners of Units and requesting authority to execute proxies.

Record Date

The Board has fixed the close of business (Toronto time) on March 2, 2018 as the Record Date for the purpose of determining Unitholders entitled to receive the Notice of Special Meeting and to vote at the Meeting. Each Unitholder is entitled to one vote for each Unit held and shown as registered in such holder's name on the list of Unitholders prepared as of the close of business (Toronto time) on the Record Date.

Registered Unitholders

You are a Registered Unitholder if your name appears on your certificate(s) representing your Units. If you are a Registered Unitholder, you may vote in person at the Meeting. Alternatively, if you would prefer not to attend the Meeting in person, you can exercise your right to vote by signing and returning the form of proxy in accordance with the directions on the form. You can complete and return the form of proxy in a number of ways: (i) use the internet at www.astvotemyproxy.com; (ii) call toll-free to 1-888-489-7352; (iii) fax at 1-866-781-3111 (toll-free) or 416-368-2502; (iv) use the business reply envelope provided; (v) scan the QR Code in the proxy using your smartphone; (vi) scan and send to proxyvote@astfinancial.com; or (vii) deliver in person to AST Trust Company (Canada), 1 Toronto Street, Suite 1200, Toronto, Ontario M5C 2V6. However you choose to vote, your vote must be received by 5:00 p.m. (Toronto time) on April 9, 2018 (or if the Meeting is adjourned or postponed, on the second last Business Day prior to the date of the adjourned or postponed Meeting). The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice.

Registered Unitholders must also complete and return the Letter of Transmittal and Election Form, together with the certificate(s) representing their Units, to AST Trust Company (Canada) at the address specified in the Letter of Transmittal and Election Form. The Letter of Transmittal and Election Form contains procedural information relating to the Transaction and should be reviewed carefully. It is recommended that Registered Unitholders complete, sign and return the Letter of Transmittal and Election Form and certificate(s) representing their Units to the Depositary as soon as possible.

Beneficial Unitholders

Most of the REIT's Unitholders are Beneficial Unitholders. You are a Beneficial Unitholder if you beneficially own Units that are held in the name of an intermediary such as a broker, investment dealer, bank, trust company, trustee, clearing agency (such as CDS) or other nominee. For example, you are a Beneficial Unitholder if you hold your Units in a brokerage account of any type. Intermediaries are required to seek voting instructions from Beneficial Unitholders in advance of meetings of Unitholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients. The form of proxy or voting instruction supplied to you by your intermediary will be similar to the proxy provided to Registered Unitholders by the REIT. However, its purpose is limited to instructing the intermediary on how to vote your Units on your behalf. Most intermediaries delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge mails a VIF in lieu of a form of proxy provided by the REIT. **For your Units to be voted, you must follow the instructions on the VIF that is provided to you.** You can complete the VIF

by: (i) calling the phone number listed thereon; (ii) mailing the completed VIF in the envelope provided; or (iii) using the internet at www.proxyvote.com. Unitholders who have questions about deciding how to vote or who have additional questions about this Circular or the matters described in this Circular, please contact your professional advisors. Additionally, the REIT may utilize Broadridge's QuickVote™ service to assist Beneficial Unitholders with voting their Units. Certain Beneficial Unitholders who have not objected to the REIT knowing who they are (non-objecting beneficial owners) may be contacted by Laurel Hill to conveniently obtain a vote directly over the telephone.

If, as a Beneficial Unitholder, you choose to vote in person at the Meeting (or have another person attend and vote on your behalf): (a) insert your own name (or such other person's name) in the space provided or mark the appropriate box on the VIF to appoint yourself (or such other person) as the proxyholder; and (b) return the VIF in the envelope provided or as otherwise permitted by your intermediary. No other part of the form should be completed. In some cases, your intermediary may send you additional documentation that must also be completed in order for you to vote in person at the Meeting. If you are a Beneficial Unitholder, your intermediary may require that you complete your election at a date and time earlier than on or before 5:00 p.m. (Toronto time) on April 9, 2018.

In some cases, Beneficial Unitholders may be given a form of proxy which has already been signed by the intermediary (typically by a facsimile or stamped signature) which is restricted as to the number of Units beneficially owned but which is otherwise uncompleted. The form of proxy need not be signed by the holder. In this case, the beneficial owner who wishes to submit a form of proxy must properly complete the form of proxy and deposit it with AST Trust Company (Canada) as described above under "*General Proxy Matters – Registered Unitholders*".

Beneficial Unitholders should carefully follow the instructions set out in the VIF and return their voting instructions as specified in the VIF.

Beneficial Unitholders will not receive a Letter of Transmittal and Election Form. Your broker, investment dealer or other intermediary is required to seek your instructions as to how to vote your Units with respect to the Special Resolution and your election with respect to the Consideration. Please follow the instructions provided by such broker, investment dealer or other intermediary for assistance in making an election with respect to the form of Consideration you wish to receive. Each intermediary has its own signing and return instructions, which you should follow carefully to ensure your Units are voted and you receive your preferred Consideration.

Voting of Units Represented by Management Proxies

As described above, you may give voting instructions on the matters outlined in this Circular by marking the appropriate boxes on the enclosed form of proxy or VIF and the proxyholder will be required to vote in that manner. If the boxes are not marked, the proxyholder may vote or withhold from voting, if applicable, the Units as he or she sees fit.

If you appoint the Trustee and/or officer representatives as the proxyholder as designated in the enclosed form of proxy or VIF, unless otherwise specified, your Units will be voted at the Meeting FOR the approval of the Special Resolution as described in this Circular.

The securities represented by the proxy or VIF will be voted in accordance with your instructions on any ballot that may be called for, and if you specify a choice with respect to any matter to be acted upon, such securities will be voted accordingly. The enclosed form of proxy or VIF also gives authority to the persons named on it to use their discretion in voting on amendments or variations to the matters identified in this Circular, or other matters that may properly come before the Meeting. As of the date of this Circular, management of the REIT is not aware of any amendment, variation or other matter expected to come before the Meeting. However, if other matters properly come before the Meeting, it is intended that the person appointed as proxyholder will vote or withhold from voting on such matters in a manner that the proxyholder considers to be proper in his or her discretion.

Appointment and Revocation of Proxies

Each person named in the form of proxy to represent Registered Unitholders at the Meeting is a Trustee and/or officer of the REIT. However, you can appoint someone else to represent you at the Meeting. The person you appoint does not need to be a Unitholder but must attend the Meeting in order for your vote to be cast. If you wish to appoint a person other than the names that appear on the proxy, then insert the name of your chosen proxyholder in the space provided on the form of proxy.

A Registered Unitholder who has given a proxy may revoke the proxy by: (i) completing and signing a form of proxy bearing a later date and depositing it with AST Trust Company (Canada) as described above under "*General Proxy Matters – Registered Unitholders*"; (ii) depositing an instrument in writing executed by the Unitholder or by the Unitholder's attorney authorized in writing, to the attention of the Executive Vice President and Chief Financial Officer of the REIT, at the registered office of the REIT at any time up to 5:00 p.m. (Toronto time) on April 9, 2018; or (iii) in any other manner permitted by Law.

If you are a Beneficial Unitholder, please contact your intermediary for instructions on how to revoke your voting instructions.

Quorum

Pursuant to the Declaration of Trust, a quorum for any meeting of Unitholders is persons present not being less than two in number and being Unitholders, or representing by proxy Unitholders who hold in the aggregate not less than 25% of the combined total number of outstanding Units as at the Record Date.

Authorized Capital and Principal Holders

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

Units

The beneficial interest in the assets of the REIT is divided into Units. The aggregate number of Units which may be outstanding is unlimited and as at the Record Date there were 73,409,979 Units outstanding. Units represent a Unitholder's proportionate undivided interest in the REIT. No Unit has any preference or priority over another. No Unitholder has or is deemed to have any right of ownership in any of the assets of the REIT. Each Unit confers the right to one vote at any meeting of Unitholders and to participate equally and ratably in distributions by the REIT and, on termination of the REIT, in the net assets of the REIT remaining after satisfaction of all liabilities. Only Unitholders of record as of the close of business (Toronto time) on the Record Date will be entitled to vote at the Meeting.

Units are issued in registered form, are fully paid when issued and are transferable. No fractional Units of the REIT are, or will be, issued, except as a consequence of the subdivision or consolidation of Units by the Trustees.

Special Units

The REIT is also authorized to issue an unlimited number of non-participating voting units, or Special Units. Special Units have no legal or beneficial interest in or entitlement to the distributions by the REIT or to the assets of the REIT upon termination or wind-up, and in all circumstances have no economic interest in the REIT. There were no Special Units issued as at March 8, 2018.

Debentures

As at March 8, 2018, the REIT had the following senior unsecured debentures outstanding:

	Issuance Date	Principal Amount	Annual Interest Rate	Maturity
Series A	July 24, 2013	$125.0 million	3.68%	July 24, 2018
Series B	December 12, 2013	$100.0 million	4.32%	January 15, 2021
Series C	February 5, 2015	$100.0 million	2.56%	November 30, 2019
Series D	April 18, 2017	$125.0 million	2.95%	January 18, 2023

Other Securities

The REIT may create and issue rights, warrants or options to subscribe for fully paid Units or may create and issue other securities convertible into Units. Any such right, warrant, option or other security convertible into Units is not considered to be a Unit and a holder thereof is not a Unitholder. There were no such rights, warrants, options or other convertible securities issued as at March 8, 2018.

Principal Unitholders

The Trustees and officers of the REIT do not know of any person beneficially owning or exercising control or direction over 10% or more of the outstanding Units.

BACKGROUND TO THE TRANSACTION

Background to the Transaction

For many years, the REIT has focused on accumulating and proactively managing a portfolio of high-quality real estate assets and delivering the benefits of real estate ownership to Unitholders. As part of this focus, the REIT has continually evaluated its business and strategic vision. Over the past several years, the REIT and the Board assessed a number of transactions to determine if any were in the best interests of the REIT and Unitholders and preferable to continuing the REIT's existing and successful strategy. The REIT considered change of control transactions and joint ventures, as well as substantial portfolio acquisitions, among other potential initiatives.

In the context of exploring a range of alternative transactions, beginning in 2016, and continuing in 2017, Stephen Johnson, Chief Executive Officer of the REIT, engaged in a number of informal discussions with Galen G. Weston, Chairman and Chief Executive Officer of Loblaw, the controlling unitholder of Choice Properties, regarding potential opportunities involving the REIT and Choice Properties.

The Board, on a number of occasions during 2016 and 2017, considered the merits of a potential transaction with Choice Properties, as well as other potential value-enhancing alternatives for the REIT and Unitholders.

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

In December 2017, Mr. Johnson was approached by a representative of another entity ("**Party A**") to discuss Party A's interest in a potential combination with the REIT and gauge whether the parties could explore the

merits of such a transaction. Party A's representative indicated that it would continue its analysis and intended to meet again with the REIT in early 2018 to discuss details of a potential combination.

In anticipation of such discussions, in early January 2018, the REIT engaged Blake, Cassels & Graydon LLP as legal counsel. In addition, Mr. Johnson had preliminary discussions with RBC Capital Markets regarding its possible engagement as financial advisor to the REIT.

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

The following morning, management and RBC Capital Markets, in anticipation of its formal engagement, commenced a process of undertaking a detailed financial analysis of the REIT, as well as of the financial metrics of the Original Offer.

On the morning of January 19, 2018, in response to a request from Party A, Mr. Johnson met with Party A's representative to discuss a proposed combination of Party A and the REIT. At such meeting, Party A orally indicated it would be interested in pursuing a business combination that would result in a change of control of the REIT, with Party A willing to provide Unitholders with a premium in the range of 5% to 10% relative to the trading price of the Units as of such date, with the consideration payable entirely in securities of Party A.

The Board met on the afternoon of January 19, 2018 for an update on the discussions with Choice Properties and Party A. At the meeting, the Board was advised by Blake, Cassels & Graydon LLP on its fiduciary duties and responsibilities under the Declaration of Trust, including, among other things: the importance of full disclosure of any actual, potential or perceived conflicts of interest; the requirement for the Board to be fully informed and obtain all relevant information regarding the REIT and its prospects and the state of the industry, any potential transaction, and the relevant considerations in the engagement of a financial advisor to advise the REIT in respect of any potential transaction. As part of the Board's consideration of any such conflicts of interests, the Trustees were advised by Mr. Johnson that Mr. Anthony Fell, a trustee who was not in attendance, had determined to recuse himself from all discussions and decisions regarding a potential transaction due to his historical relationship with Loblaw, including his past tenure as a member of the Loblaw board of directors.

The Board reviewed the engagement of financial advisors, including the qualifications and expertise of various possible advisors and any potential conflicts of interest. Mr. Johnson advised that RBC Capital Markets was prepared to assist the REIT as financial advisor to evaluate the proposals it had received and to consider alternatives available to the REIT in response to the proposals it had received. The Board concluded that it wished to formally engage RBC Capital Markets as financial advisor, subject to settling the terms of their engagement. Subsequently, RBC Capital Markets was formally engaged as financial advisor to the REIT through an engagement letter dated January 17, 2018.

Also at the January 19, 2018 meeting, the Board then discussed the two proposals presented to the REIT. In particular, members of the Board focused on the fact that the premium to the Unit trading price proposed by Party A was significantly below the range for comparable change of control transactions in the Canadian real estate industry.

On January 28, 2018, at the request of Party A, Mr. Johnson met again with a representative of Party A to further discuss the merits of a potential combination between Party A and the REIT.

During the period from its initial engagement through January 29, 2018, RBC Capital Markets continued its detailed financial analysis, including considering alternatives available to the REIT in response to the proposals it had received.

At a meeting of the Board on January 30, 2018, RBC Capital Markets presented its preliminary analysis. The presentation addressed, among other things, the nature of the proposals received, including the Original Offer, as well as RBC Capital Markets' analysis of the REIT's real estate portfolio, the REIT's future prospects in the absence of any change of control transaction and the range of potential counterparties to a transaction with the REIT. The Board, with input from management of the REIT and RBC Capital Markets, also discussed the relative strategic merits of each proposal and the current outlook for the REIT as a stand-alone entity. Following such discussions, the Board determined to instruct RBC Capital Markets to revert to the financial advisors of each of Choice Properties and Party A, respectively.

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

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

On February 1, 2018, RBC Capital Markets also advised the financial advisor to Party A that its initial proposal, based on a premium in the range of 5% to 10% relative to the trading price of the Units as of the date of the initial proposal, was not supported by the Board and that an offer from Party A that was in the range of comparable change of control transactions in the Canadian real estate industry would be required for the REIT to engage with Party A. The financial advisor advised that it would consider its response with Party A.

Separately, Mr. Johnson advised both Mr. Weston and Party A's representative as to the Board's initial determinations and RBC Capital Markets' mandate to engage with their respective financial advisors.

The Board met again on the afternoon of February 1, 2018. RBC Capital Markets and Mr. Johnson updated the Board, with both being instructed to further assess the Revised Offer. Later that afternoon and on the following day, at the instruction of the Trustees, Mr. Johnson spoke to Mr. Weston to discuss, among other things: the Revised Offer; Choice Properties' position that, to the extent the Revised Offer was not acceptable to the REIT, the REIT should present a specific counterproposal to Choice Properties; and the recent stock market volatility and price fluctuations of the units of the REIT and Choice Properties. The parties agreed to defer further discussions until the following week, with perhaps the benefit of some additional clarity regarding the state of the markets.

At a meeting of the Board on the afternoon of February 2, 2018, Mr. Johnson and RBC Capital Markets summarized their recent interactions with Choice Properties and its financial advisor and the decision to defer further discussions in view of the volatile state of the financial markets.

On February 4, 2018, Party A's representative contacted Mr. Johnson to advise that Party A was not prepared to consider a potential transaction with a premium in the range of comparable change of control transactions in the Canadian real estate industry, along the lines that had been suggested by RBC Capital Markets to Party A's financial advisor.

On February 6, 2018, the Board met to consider the status of the REIT's discussions with the two counterparties and to assess next steps for the REIT. The Board, management of the REIT and RBC Capital Markets discussed a specific counterproposal to the Revised Offer, as well as their analysis of the key transaction metrics. RBC Capital Markets provided the Trustees with its assessment regarding the ongoing market volatility, the proposed counterproposal and next steps in negotiating with Choice Properties. Following an *in camera* discussion among the independent Trustees of the Board, the Board instructed Mr. Johnson to present the proposed counterproposal to Mr. Weston.

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

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

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

Separately, on the evening of February 9, 2018, Torys LLP, legal counsel to Choice Properties, provided copies of the draft transaction agreements to the REIT and its counsel. Over the course of the next several days, the parties and their respective legal, tax and financial advisors reviewed and negotiated the terms of the proposed arrangement agreement, including, among other things, the proposed structure of the acquisition (including the proposed terms of the Class C Conversion), the scope and nature of each party's covenants under the Transaction and the quantum of a termination fee payable in certain circumstances pursuant to such arrangement agreement.

On February 13, 2018, after the close of trading on the TSX, the Board met to consider the terms of the Transaction whereby Choice Properties would acquire the REIT for a combination of $22.50 in cash and 2.4904 Choice Properties Units for each Unit, on a fully prorated basis. At this meeting, RBC Capital Markets informed the Board that it expected it would be in a position, subject to reviewing the final terms of the Arrangement Agreement and the ongoing volatility of the markets, to be able to deliver a fairness opinion regarding the Transaction. Following such consideration, the members of the Board (other than Mr. Fell, who had recused himself, and Mr. Johnson, who serves as a member of senior management of the REIT and as a result abstained from voting) determined the Transaction is in the best interests of the REIT and its Unitholders, approved the Transaction, including entry into the Arrangement Agreement and Loblaw Voting Agreement, and recommended that Unitholders vote in favour of the Special Resolution, subject to finalization of the terms of the Transaction and completion of Choice Properties' outstanding confirmatory due diligence.

On the evening of February 13, 2018 and on the morning of February 14, 2018, representatives of the REIT met with representatives of Choice Properties to negotiate the remaining terms of the Transaction and to confirm that all outstanding due diligence matters had been addressed. During the afternoon of February 14, 2018, the Board met to receive an update by management as to final terms of the Transaction, and to receive the RBC Capital Markets Fairness Opinion. At such meeting, the Board ratified and confirmed its determination that the Transaction is in the best interests of the REIT and its Unitholders, its approval of the Transaction, including entry into the Arrangement Agreement and the Loblaw Voting Agreement, and its recommendation that Unitholders vote in favour of the Special Resolution. As before, Mr. Fell recused himself and Mr. Johnson abstained from voting.

During the evening of February 14, 2018, the Arrangement Agreement, the Loblaw Voting Agreement and the Voting and Support Agreements were finalized, executed and delivered by the parties thereto. Prior to the opening of trading on the TSX on February 15, 2018, the Transaction was announced by a joint press release issued by the REIT and Choice Properties.

Fairness Opinion

RBC Capital Markets was formally engaged by the REIT as financial advisor effective January 17, 2018, to analyze any transaction proposals received by the REIT, consider alternatives available to the REIT in response to the proposals received, and, if requested, provide an opinion as to the fairness, from a financial point of view, of the consideration to be received in respect of any such transaction. RBC Capital Markets delivered its opinion to the Board to the effect that as of February 14, 2018 and based upon and subject to the assumptions, limitations, qualifications and other matters stated in the Fairness Opinion, the consideration under the Transaction is fair, from a financial point of view, to the Unitholders.

In rendering the Fairness Opinion, RBC Capital Markets relied, without independent verification, on financial and other information that was obtained by RBC Capital Markets from public sources, senior management of the REIT, Choice Properties and their respective consultants and advisors. RBC Capital Markets assumed that this information was complete, accurate and fairly presented.

In considering the fairness of the consideration under the Transaction from a financial point of view to the Unitholders, RBC Capital Markets considered and relied upon the following: (i) a comparison of the consideration under the Transaction to the results of a net asset value analysis of the REIT; (ii) a comparison of the multiples implied by the consideration under the Transaction to multiples paid in selected precedent transactions; and (iii) a comparison of the consideration under the Transaction to the recent market trading prices of the Units. RBC Capital Markets also reviewed and compared selected multiples for Canadian real estate entities whose securities are publicly traded to the multiples implied by the consideration under the Transaction. Given that public trading values generally reflect minority discount values rather than “en bloc” values, RBC Capital Markets did not rely on this methodology.

The REIT has agreed to pay RBC Capital Markets a fee for its financial advisory services, which is, in part, contingent on the successful completion of the Transaction. The REIT has also agreed to reimburse the expenses of RBC Capital Markets and to indemnify RBC Capital Markets in respect of certain liabilities that may be incurred by RBC Capital Markets in connection with the provision of its services.

RBC Capital Markets is one of Canada’s largest investment banking firms, with operations in all facets of corporate and government finance, corporate banking, mergers and acquisitions, equity and fixed income sales and trading and investment research. RBC Capital Markets and its affiliates also have significant operations in the United States and internationally. The Fairness Opinion represents the opinion of RBC Capital Markets and the form and content of the Fairness Opinion have been approved for release by a committee of its directors, each of whom is experienced in merger, acquisition, divestiture and fairness opinion matters.

The Fairness Opinion does not constitute a recommendation to Unitholders with respect to the Special Resolution. The Board urges Unitholders to read the Fairness Opinion carefully and in its entirety. The full text of the Fairness Opinion, which sets forth the assumptions made, general procedures followed, matters considered and limitations on the review undertaken by RBC Capital Markets, is reproduced as Appendix “E” to this Circular. This summary of the Fairness Opinion is qualified in its entirety by reference to the full text of the Fairness Opinion.

Recommendation of the Board

After careful consideration and consultation with their financial and legal advisors, the Board (other than Trustees who did not vote due to the reasons set out below) unanimously determined that the Transaction is in the best interests of the REIT and its Unitholders. Accordingly, the Board (other than Trustees who did not

vote due to the reasons set out below) unanimously recommends that the Unitholders vote **FOR** the Special Resolution approving the Transaction.

Stephen E. Johnson serves as a member of senior management of the REIT and, as a result, abstained from voting and Anthony Fell abstained from voting and recused himself from all discussions in connection with the Transaction due to his historical relationship with Loblaw, including his past tenure as a member of the Loblaw board of directors.

Reasons for the Recommendation

In making its recommendation, the Board has carefully considered the Transaction and consulted with and received advice from its financial and legal advisors. The Board reviewed a significant amount of information and considered a number of factors in making its recommendation to Unitholders to vote FOR the Special Resolution approving the Transaction.

The Board did not attempt to assign relative weights to the various factors. In addition, individual members of the Board may have given different weights to different factors. The following discussion of the information and factors considered and evaluated by the Board is not intended to be exhaustive of all factors considered and evaluated by the Board. The conclusions and recommendations of the Board were made after considering the totality of the information and factors considered.

- **Premium over trading price of the Units.** Pursuant to the Transaction, the REIT will redeem all of its outstanding Units for an aggregate of $22.50 in cash and 2.4904 Choice Properties Units per Unit, on a fully prorated basis. Based on the Choice Properties Unit closing price of $12.49 as of February 14, 2018, the date of the Arrangement Agreement, this represents $53.61 per Unit, which is a 23.1% premium to the Unit closing price as of such date and a 10.9% premium to research analyst consensus net asset value for the REIT.

- **Choice and liquidity for Unitholders.** The Transaction provides that Unitholders will have the ability to choose whether to receive $53.75 in cash or 4.2835 Choice Properties Units for each Unit held, subject to proration. Unitholders may have a preference for cash or Choice Properties Units depending upon their particular circumstances. Subject only to proration, Unitholders have the opportunity to elect the consideration of their choice in accordance with such preferences.

- **Benefits of continued ownership in the combined entity.** The Transaction provides Unitholders with the opportunity to participate in the ownership of Choice Properties post-Transaction, which will be Canada's largest real estate investment trust with an enterprise value of approximately $16 billion and a significant development pipeline, including benefits arising from the following:

    - a retail portfolio focused on necessity based retailers that provide a solid foundation of stable and growing cash flows, with the remaining portfolio diversified by high-quality industrial assets and office assets located in Canada's largest markets;

    - industry-leading operating and development capabilities as well as an unparalleled diversified portfolio comprising 752 properties with 69 million square feet of gross leasable area, with broad geographic diversification of properties across Canada and an average lease term of 8.4 years (relative to the REIT's current average lease term of 5.1 years);

    - committed and long-term support from Loblaw and George Weston Limited with *pro forma* combined ownership of approximately 65% and continued relationship through Loblaw's strategic alliance agreement with Choice Properties, providing

access to future tenancy and related opportunities with Loblaw, Shoppers Drug Mart and other members of the Loblaw group; and

- a consolidated development pipeline that presents meaningful value creation opportunities, including potential to capitalize on an established retail development and intensification program and to leverage joint venture partnerships to access attractive sites to fuel additional development.

- **Approximately 70% increase in distributions.** Choice Properties' current intention is to maintain its current distribution of $0.74 per Choice Properties Unit on an annual basis. To the extent Unitholders elect Choice Properties Units under the Transaction (subject to proration), the annual distribution on the 4.2835 Choice Properties Units received for each Unit would represent an increase of approximately 70% over the current annual distribution on a Unit.

- **Conservative capital structure with BBB rating.** Following the Transaction, Choice Properties intends to maintain a stable and prudent capital structure and to maintain its BBB credit rating, which was confirmed by both DBRS and S&P following the announcement of the Transaction on February 15, 2018. Unitholders will continue to benefit from a solid balance sheet and strong credit metrics that have the capacity and flexibility to support the combined entity's growth initiatives.

- **Best-in-class leadership of combined entity**. Management responsibilities within Choice Properties post-Transaction will be allocated among an experienced and sophisticated management team including members drawn from both the REIT and Choice Properties. The current management of the REIT that will assume leadership roles in Choice Properties are Mr. Stephen Johnson, as President and Chief Executive Officer, Mr. Rael Diamond, as Chief Operating Officer, and Mr. Mario Barrafato, as Chief Financial Officer.

- **Compelling value relative to alternatives reviewed.** The Board carefully considered current industry, economic and market conditions and outlooks, including its expectations of the future prospects of the real estate industry in Canada and the United States, as well as the impact of the Transaction on affected stakeholders. In light of the risks and potential upside associated with the REIT continuing to execute its business and strategic plan as a standalone entity, as opposed to the Transaction or other strategic alternatives, the Board has determined that the combined entity will be better positioned to pursue a growth and value-maximizing strategy as a result of the anticipated benefits of the Transaction.

- **Fairness Opinion.** RBC Capital Markets delivered its opinion to the Board to the effect that, as of February 14, 2018, and based upon and subject to the assumptions, limitations, qualifications and other matters contained therein, the consideration under the Transaction is fair, from a financial point of view, to the Unitholders. See "*Background to the Transaction – Fairness Opinion*" and Appendix "E".

- **Arm's length negotiation.** The Arrangement Agreement is the result of a rigorous negotiation process that was undertaken at arm's length with the oversight and participation of the Board and the REIT's outside financial and legal advisors.

- **Reasonable likelihood of completion.** Choice Properties is a credible and reputable real estate owner and lessor and has the financial capacity to complete the Transaction, expecting to finance the cash portion of the Transaction with committed credit facilities fully underwritten by TD Securities and proceeds from an offering of senior unsecured debentures totaling approximately $3.6 billion. The Transaction is not subject to any due diligence condition or financing condition and the Board believes that the closing conditions

that are outside of the control of the REIT are reasonable such that the likelihood of the Transaction being completed is considered by the Board to be high.

- **Opportunity for tax deferral for Resident Holders.** By providing Unitholders the ability to elect Non-Cash Consideration, the Transaction provides, subject to proration, an opportunity for Resident Holders to defer the Canadian federal income tax that otherwise might be payable if such Resident Holders received Cash Consideration for their Units. The Transaction has been structured such that Resident Holders who receive Choice Properties Units as consideration for Units will receive such Choice Properties Units on a tax-deferred "roll-over" basis for Canadian federal income tax purposes. For Resident Holders who want to remain invested in the REIT's industry, the Transaction allows them to do so (subject to proration) while deferring Canadian federal income tax that might be realized had such Resident Holders sold their Units in the market for cash or elected for Cash Consideration pursuant to the Transaction. In the event of a disposition of Units for cash, a Resident Holder would have available to reinvest only the after tax-proceeds from the disposition and would also incur transaction costs on the subsequent re-investment.

- **Ability to respond to superior proposals.** Under the Arrangement Agreement, the Board remains able to respond to and accept, in accordance with its fiduciary duties, unsolicited proposals that are more favourable from a financial point of view than the Transaction, subject to payment of the Termination Fee to Choice Properties. The Termination Fee payable in connection with the acceptance of a Superior Proposal is reasonable in the circumstances and does not preclude other proposals.

- **Voting support agreements**. The voting support agreements described under "*The Transaction – Voting and Support Agreements*" were entered into pursuant to which the Trustees and certain executive officers of the REIT agreed, among other things, to vote in favour of the Transaction.

- **Procedural matters.** The Board considered the fact that: (a) the Transaction must be approved by at least 66 $^{2}/_{3}$% of the votes cast by Unitholders, voting as a single class, present in person or represented by proxy at the Meeting; (b) Registered Unitholders who do not vote in favour of the Special Resolution have the ability to exercise Dissent Rights and, if validly exercised, to receive fair value for their Units; and (c) the Transaction requires approval by the Court. See "*The Transaction – Required Unitholder Approval*".

The Board's reasons contain forward-looking information, and are subject to various risks and assumptions. See "*Caution Regarding Forward-Looking Statements and Information*", "*Risk Factors*" and the risk factors described under the heading "*Risk Factors*" in Appendix "F" – *Information Concerning the REIT* and Appendix "G" – *Information Concerning Choice Properties*.

Other Considerations

The Board also considered a number of potential risks and other factors resulting from the Transaction and the Arrangement Agreement, including the risks described under the heading "*Risk Factors*" and the following:

- the risks to the REIT and its Unitholders if the Plan of Arrangement is not completed;

- the conditions to Choice Properties' obligations to complete the Transaction and the right of Choice Properties to terminate the Arrangement Agreement under certain limited circumstances;

- the execution risk associated with the regulatory aspects of the Transaction, and the fact that Choice Properties has agreed under the Arrangement Agreement to use its commercially reasonable efforts to obtain Competition Act Approval; and

- the terms of the Arrangement Agreement in respect of: (i) restricting the REIT from soliciting third parties to make an Acquisition Proposal; (ii) the requirement that in order to constitute a Superior Proposal, among other conditions specified in the Arrangement Agreement, an Acquisition Proposal must result in a transaction more favourable, from a financial point of view, to Unitholders than the Transaction; and (iii) the fact that, if the Arrangement Agreement is terminated under certain circumstances, the REIT may be required to pay the Termination Fee.

THE TRANSACTION

The following is a summary only of the material terms of the Plan of Arrangement and certain related matters and is qualified in its entirety by the full text of the Plan of Arrangement, a copy of which is attached as Appendix "D" to this Circular.

Required Unitholder Approval

If the Special Resolution is approved by the affirmative vote of at least two-thirds (66 $^{2}/_{3}$%) of the votes cast by Unitholders present in person or represented by proxy at the Meeting and entitled to vote ("**Unitholder Approval**"), and all of the other conditions to closing of the Transaction are satisfied or, where permitted, waived, the Transaction will be implemented by way of the Plan of Arrangement.

The Special Resolution must receive Unitholder Approval in order for the REIT to seek the Final Order and implement the Transaction on the Effective Date in accordance with the Final Order. Notwithstanding the receipt of Unitholder Approval, the REIT and Choice Properties reserve the right in certain circumstances to not proceed with the Transaction in accordance with the terms of the Arrangement Agreement.

Choice Properties Unitholder Approval

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

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

Treatment of REIT Securities

Units

Pursuant to the Transaction, Unitholders will have the ability to choose whether to receive $53.75 in cash (the "**Cash Consideration**") or 4.2835 Choice Properties Units (the "**Non-Cash Consideration**") for each Unit held, subject to proration. Subject to the following, a Unitholder may elect to receive Cash Consideration for any whole number of Units held by such Unitholder at the Effective Date and Non-Cash Consideration for the remaining whole number of Units held by such Unitholder at the Effective Date.

Under the Transaction, the aggregate Consideration will be comprised of approximately 58% in Choice Properties Units and 42% in cash. The maximum amount of cash, which will be funded by Choice Properties, payable to Unitholders by the REIT on the Cash Redemption will be $1,651,532,198. In addition, the REIT expects that approximately 183 million Choice Properties Units will be delivered by the REIT to

Unitholders, based on the fully diluted number of Units outstanding as of the date of the Arrangement Agreement. If Unitholders elect, in the aggregate, to receive cash that is more or less than the Aggregate Cash Consideration, the actual amount of cash to be paid, and the actual number of Choice Properties Units to be issued, to each Unitholder will be subject to proration (except for holders of Restricted Units, in respect of such Restricted Units). See "*Procedure for the Delivery of Securities and Payment of Consideration – Proration*".

Restricted Units

The REIT has in place a Restricted Unit Plan which provides for the award of Units to certain senior officers of the REIT. The Units granted under the Restricted Unit Plan are purchased in the open market and are held by an independent custodian on behalf of each participant in the Restricted Unit Plan until such time as they have vested, the disposition restrictions have been lifted and the recipient of the award withdraws such Restricted Units from the Restricted Unit Plan. Each participant has the right to vote the Restricted Units and to receive distributions in respect of such Restricted Units in accordance with the Restricted Unit Plan. One-third of the Restricted Units vest on each of the three anniversaries following the grant date of such Restricted Units (other than the Restricted Units granted to the Chief Executive Officer, of which one-third of such Restricted Units vest on each of the third, fourth and fifth anniversaries from the grant date). Once the Restricted Units granted under the Restricted Unit Plan have vested, they are no longer subject to forfeiture. Whether or not vested, without the specific authority of the REIT's Compensation and Governance Committee, the Restricted Units may not be sold, pledged or otherwise disposed of for six years following the grant date of such Restricted Units (except as otherwise permitted in the Restricted Unit Plan), other than the Restricted Units granted to the Chief Executive Officer, which may not be sold, pledged or otherwise disposed of for seven years following the grant date.

Under the Plan of Arrangement, Choice Properties will assume the obligations of the REIT under the Restricted Unit Plan and holders of Restricted Units will have each Restricted Unit redeemed for the Non-Cash Consideration. The Choice Properties Units that holders of Restricted Units receive will be subject to the same vesting, forfeiture and disposition provisions and such other terms and conditions as are applicable to the Restricted Units pursuant to the Restricted Unit Plan immediately prior to the completion of the Transaction. As such, holders of Restricted Units will not have the ability to elect, in respect of such Restricted Units, between Cash Consideration and Non-Cash Consideration, and the Non-Cash Consideration to be received by holders of Restricted Units, in respect of such Restricted Units, will not be subject to proration. In connection with the Transaction, the REIT will provide that vested Restricted Units held by former employees, as of February 14, 2018, of the REIT or any of its affiliates will become unrestricted immediately following completion of the Transaction. As a result, the Choice Properties Units delivered in respect of such unrestricted Units under the Transaction will no longer be subject to the disposition provisions applicable to Restricted Units.

Debentures

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

Outstanding Securities

As at the close of business on March 8, 2018, there were issued and outstanding 73,409,979 Units (of which 548,070 are Restricted Units), $125,000,000 principal amount of Series A Debentures, $100,000,000

principal amount of Series B Debentures, $100,000,000 principal amount of Series C Debentures and $125,000,000 principal amount of Series D Debentures.

Arrangement Mechanics

The following description is qualified in its entirety by reference to the full text of the Plan of Arrangement which is attached as Appendix "D" to this Circular. **Terms with initial capital letters referenced in this section not defined in the Glossary of Terms shall have the meaning ascribed to them in the Plan of Arrangement.** Upon the Transaction becoming effective, the following transactions, among others, will occur and will be deemed to occur in the order set out in the Plan of Arrangement. None of the steps in the Plan of Arrangement will occur unless all of the steps in the Plan of Arrangement occur.

Commencing at 10:00 p.m. on the Business Day immediately preceding the Effective Date, each of the steps set out below shall occur in the following order without any further act or formality, with each such step occurring two minutes after the completion of the immediately preceding step:

(a) The REIT shall cause Oak Brook LP to sell to Purchaser US Subsidiary the Oak Brook Property for the Oak Brook Property Purchase Price, and Purchaser US Subsidiary shall satisfy the Oak Brook Property Purchase Price by a cash payment and the assumption by Purchaser US Subsidiary of liabilities associated with the property (other than the Oak Brook Internal Mortgage Loan), pursuant to and in accordance with the US Documents.

(b) The REIT shall cause Oak Brook LP to repay in full to Oak Brook Holdings the outstanding principal amount of the Oak Brook Internal Mortgage Loan, all accrued and unpaid interest thereon and any other amounts payable thereunder on account of early repayment thereof, by a cash payment of such amount to Oak Brook Holdings, and the Oak Brook Internal Mortgage shall be discharged, pursuant to and in accordance with the US Documents.

Commencing at the Effective Time, each of the steps set out below shall occur in the following order without any further act or formality, with each step occurring two minutes after the completion of the immediately preceding step:

(c) Notwithstanding the terms of the Unitholder Rights Plan, the Unitholder Rights Plan shall be terminated and all rights issued pursuant to the Unitholder Rights Plan, if any, shall be cancelled without any payment in respect thereof.

(d) The Declaration of Trust, and the Constating Documents of each other REIT Entity participating in the transactions below, shall be amended to the extent necessary to facilitate the Transaction and the implementation of the steps and transactions described below. Without limiting the generality of the foregoing, such amendments shall include, among other things, an amendment to permit the redemption of Units as contemplated in the steps in clauses (t), (u), (w) and (x) below and the allocation of the Income Allocated on the Cash Redemptions in clauses (t) and (u) below.

(e) The REIT shall transfer to Eastern GP Parentco all of the issued and outstanding shares in the capital of CREIT GP in exchange for the issuance by Eastern GP Parentco of one common share in the capital of Eastern GP Parentco.

(f) If set forth in the Pre-Closing Notice and at the time specified therein, the REIT shall cause Oak Brook LP to be liquidated, and its net assets to be distributed to Oak Brook LLC I and Oak Brook LLC II, pursuant to and in accordance with the US Documents.

(g) If set forth in the Pre-Closing Notice and at the time specified therein, the REIT shall cause:

(i) Oak Brook LLC I to be liquidated, and its net assets to be distributed to Oak Brook Holdings, pursuant to and in accordance with the US Documents; and

(ii) Oak Brook LLC II to be liquidated, and its net assets to be distributed to Oak Brook Holdings, pursuant to and in accordance with the US Documents.

(h) The REIT shall cause Oak Brook Holdings to repay in full to the REIT the outstanding principal amount of the Oak Brook Loan, all accrued and unpaid interest thereon and any other amounts payable thereunder on account of early repayment thereof, by a cash payment of such amount to the REIT, pursuant to and in accordance with the US Documents.

(i) The REIT shall transfer to Choice Properties LP all of the issued and outstanding shares in the capital of Oak Brook Holdings for the Oak Brook Holdings Purchase Price, and Choice Properties LP shall satisfy the Oak Brook Holdings Purchase Price:

(i) as to the amount equal to the amount, if any, set forth in the Pre-Closing Notice, by a cash payment equal to such amount; and

(ii) as to the balance, by the issuance to the REIT of the Purchaser LP Subsidiary First Consideration Note;

all pursuant to and in accordance with the US Documents.

(j) The REIT shall transfer to REIT LP Subsidiary the REIT Investments for the REIT Investments Purchase Price, and REIT LP Subsidiary shall satisfy the REIT Investments Purchase Price:

(i) as to the amount equal to the Additional Cash Amount, by the issuance to the REIT of a demand non-interest bearing promissory note with a principal amount equal to the Additional Cash Amount; and

(ii) as to the balance, by the issuance to the REIT of a number of REIT LP Subsidiary Units, including any fraction thereof, equal to the number obtained when: (A) an amount equal to the REIT Investments Purchase Price less the Additional Cash Amount, is divided by (B) the REIT LP Subsidiary Unit Price.

The consideration paid by REIT LP Subsidiary in exchange for the REIT Investments will be allocated in the manner agreed to by the REIT and REIT LP Subsidiary as set forth in the Pre-Closing Notice.

(k) The REIT shall transfer to Choice Properties LP the Loan Receivables for the Loan Receivables Purchase Price, and Choice Properties LP shall satisfy the Loan Receivables Purchase Price by a cash payment of such amount to the REIT.

(l) The REIT shall repay in full to the creditors under the Third Party Debt the outstanding principal amount of the Third Party Debt, and all accrued and unpaid interest thereon, by a cash payment of such amount to such creditors, and the related security shall be discharged.

(m) Choice Properties shall pay out, as a special distribution on the Choice Properties Units, the amount, if any, that is determined by it prior to the Effective Time to be equal to its bona fide best estimate, as set forth in the Pre-Closing Notice, of the amount, if any, of its Taxable Income for the taxation year of Choice Properties that shall be deemed, by section 132.2 of the Tax Act, to end as a result of the QE Transactions (such amount to be reduced to take into account any deductions under subsection 104(6) of the Tax Act in respect of prior distributions during that period). Choice Properties shall satisfy the special distribution:

(i) as to the amount equal to the amount set forth in the Pre-Closing Notice, by a cash payment equal to that amount; and

(ii) as to the balance, if any, by the issuance of a number of Choice Properties Units, including any fraction thereof, having an aggregate fair market value equal to the balance of such special distribution, and the number of outstanding Choice Properties Units shall then be consolidated such that each holder of Choice Properties Units shall hold, immediately after the consolidation, the same number of Choice Properties Units as such holder held immediately prior to the issuance of Choice Properties Units in this step.

(n) The REIT shall pay out, as a special distribution on the Units, the amount, if any, that is determined by it prior to the Effective Time to be equal to its *bona fide* best estimate, as set forth in the Pre-Closing Notice, of the amount, if any, of its Taxable Income, excluding the Income Allocated on the Cash Redemptions, for the taxation year of the REIT that shall be deemed, by section 132.2 of the Tax Act, to end as a result of the QE Transactions (such amount to be reduced to take into account any deductions under subsection 104(6) of the Tax Act in respect of prior distributions during that taxation year of the REIT). The REIT shall satisfy the special distribution:

(i) as to the amount equal to the amount set forth in the Pre-Closing Notice, by a cash payment equal to that amount; and

(ii) as to the balance, if any, by the issuance of a number of Units, including any fraction thereof, having an aggregate fair market value equal to the balance of such special distribution, and the number of outstanding Units shall then be consolidated such that each holder of Units shall hold, immediately after the consolidation, the same number of Units as such holder held immediately prior to the issuance of Units in this step.

(o) Choice Properties LP shall make a loan to REIT LP Subsidiary having a principal amount equal to the Aggregate Cash Consideration, and terms and conditions as set forth in the Pre-Closing Notice.

(p) REIT LP Subsidiary shall repay in full to the REIT the aggregate outstanding principal amounts of the Internal Debt and the REIT LP Subsidiary Consideration Note, and any accrued and unpaid interest thereon, by a cash payment of such amount to the REIT, and the promissory notes in respect of the Internal Debt and the REIT LP Subsidiary Consideration Note shall be cancelled.

(q) REIT LP Subsidiary shall purchase a number of REIT LP Subsidiary Units for cancellation, including any fraction thereof, equal to the number, if positive, obtained when: (i) the Aggregate Cash Consideration, less the amount paid by REIT LP Subsidiary in the step in clause (p) above, is divided by (ii) the REIT LP Subsidiary Unit Price, for a purchase price equal to the amount described in clause (q)(i), and REIT LP Subsidiary shall satisfy the purchase price by a cash payment of such amount to the REIT and such purchased REIT LP Subsidiary Units shall be cancelled.

(r) The REIT shall transfer to Choice Properties LP a number of REIT LP Subsidiary Units, including any fraction thereof, equal to the number obtained when: (i) the Debenture Amount, is divided by (ii) the REIT LP Subsidiary Unit Price, in exchange for the issuance by Choice Properties LP to the REIT of the Purchaser LP Subsidiary Second Consideration Notes.

(s) Choice Properties, or a Person designated by Choice Properties as set forth in the Pre-Closing Notice, shall subscribe for one Unit for a subscription price equal to the Cash Consideration, and Choice Properties or such designated Person, as applicable, shall satisfy the subscription price by a cash payment of such amount to the REIT.

(t) Each Dissenting Unit held by a Dissenting Unitholder described in section 4.1(a) of the Plan of Arrangement shall be redeemed by the REIT in exchange, subject to section 3.9 of the Plan of Arrangement, for a debt claim against the REIT for the amount determined under Article 4 of the Plan of Arrangement, and each such Unit shall be cancelled. The portion of such amount that is equal to the product of the Income Allocated on the Cash Redemptions and a fraction, the numerator of which is the aggregate number of Dissenting Units held by holders described in this clause (t) and the denominator of which is the aggregate number of Units redeemed by the REIT pursuant to clauses (t) and (u), shall be designated by the REIT as being payable from the Taxable Income of the REIT for the taxation year of the REIT that shall be deemed, by section 132.2 of the Tax Act, to end as a result of the QE Transactions *pro rata* to the Unitholders described in this clause (t), with the Dissenting Unitholder's right to enforce payment of such amount included in the amount of the debt claim against the REIT provided for in this clause (t).

(u) Each Unit in respect of which a Unitholder is entitled to receive Cash Consideration in accordance with and subject to the provisions of the Plan of Arrangement, shall be redeemed by the REIT in exchange for, subject to section 3.9 of the Plan of Arrangement, a cash payment equal to the Cash Consideration, and each such Unit shall be cancelled. The portion of the cash payment under this clause (u) that is equal to the product of the Income Allocated on the Cash Redemptions and a fraction, the numerator of which is the aggregate number of Units held by holders described in this clause (u) and the denominator of which is the aggregate number of Units redeemed by the REIT pursuant to clauses (t) and (u), shall be designated by the REIT as being paid from the Taxable Income of the REIT for the taxation year of the REIT that shall be deemed, by section 132.2 of the Tax Act, to end as a result of the QE Transactions pro rata to the Unitholders described in this clause (u).

(v) Pursuant to and in accordance with the definition "qualifying exchange" in section 132.2 of the Tax Act, the REIT shall transfer to Choice Properties all of the right, title and interest of the REIT in and to all of its property, including, for greater certainty, all of the REIT LP Subsidiary Units then held by the REIT, the beneficial interests of the REIT in REIT LP Subsidiary GP, all of the issued and outstanding shares in the capital of Eastern GP Parentco, the Purchaser LP Subsidiary First Consideration Note and the Purchaser LP Subsidiary Second Consideration Notes (the "**QE Transfer**"), but excluding the cash subscription proceeds received by the REIT in the step in clause (s) above and any other property or assets as set forth in the Pre-Closing Notice, in exchange for:

(i) the issuance by Choice Properties to the REIT of a number of Choice Properties Units that is equal to the product obtained by multiplying:

(A) the Non-Cash Consideration; by

(B) the number of Units then outstanding (for greater certainty, the number outstanding after taking into account the cancellation of Units in the steps set out in clauses (t) and (u) above) but excluding the Unit acquired by Choice Properties or the Person designated by Choice Properties pursuant to clause (s) above;

(ii) the assumption by Choice Properties of the due and punctual payment of the Debentures as sole obligor, including the agreement to perform substantially all of the covenants of the REIT thereunder and under the Indenture as the successor to the REIT by the execution and delivery of the Fifth Supplemental Indenture and the release of the REIT from all of its covenants in relation to the Debentures and the Indenture; and

(iii) the assumption by Choice Properties of all other liabilities and obligations of the REIT, including all debt claims against the REIT, if any, arising on the step in clause (t) above and any obligations of the REIT under the Restricted Unit Plan, but excluding the liabilities and obligations assumed pursuant to the step in clause (v)(ii) above and any other liabilities and obligations as set forth in the Pre-Closing Notice.

The consideration paid by Choice Properties in exchange for the assets acquired on the QE Transfer will be allocated in the manner agreed to by the REIT and Choice Properties as set forth in the Pre-Closing Notice.

(w) Pursuant to and in accordance with the definition "qualifying exchange" in section 132.2 of the Tax Act, the REIT shall redeem each Unit then outstanding (for greater certainty, the number outstanding after taking into account the cancellation of Units in the steps in clauses (t) and (u) above), other than the Restricted Units and the Unit held by Choice Properties or the Person designated by Choice Properties pursuant to clause (s) above (the "**QE Redemption**"), in exchange for, subject to section 3.5(b) of the Plan of Arrangement, the Non-Cash Consideration, and each such Unit shall be cancelled.

(x) Pursuant to and in accordance with the definition of "qualifying exchange" in section 132.2 of the Tax Act, the REIT shall redeem each Restricted Unit then outstanding (the "**RU Redemption**"), in exchange for, subject to section 3.5(b) of the Plan of Arrangement, the Non-Cash Consideration, and each such Restricted Unit shall be cancelled.

(y) Eastern GP Parentco shall resolve to voluntarily dissolve CREIT GP in accordance with section 193 of the OBCA and, in connection therewith, CREIT GP shall transfer and assign all of its property to Eastern GP Parentco and Eastern GP Parentco shall assume all of the liabilities and obligations of CREIT GP.

(z) The releases and resignations referred to in the Plan of Arrangement shall become effective.

Sources of Funds for the Transaction

Choice Properties Credit Facilities

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

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

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

Class C Conversion

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

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

See "*Post-Transaction Unitholdings and Principal Unitholders*" in Appendix "H" – *Information Concerning Choice Properties Post-Transaction* for further details of the effect of the Class C Conversion on the total outstanding Choice Properties Units and the principal unitholders of Choice Properties.

Voting and Support Agreements

Trustees and Executive Officers of the REIT

On February 14, 2018, Choice Properties entered into voting and support agreements (the "**Voting and Support Agreements**") with each of the Trustees and certain executive officers of the REIT. As of the Record Date, 899,540 Units were subject to the Voting and Support Agreements, representing approximately 1.2% of the issued and outstanding Units.

Under the Voting and Support Agreements, each Trustee and certain executive officers of the REIT has agreed: (a) to vote his or her Units, and any other securities of the REIT directly or indirectly acquired by or issued to him or her after the date of the Voting and Support Agreement, if any, in favour of the Transaction and any other matter necessary for the completion of the Transaction (including in favour of all matters recommended by management of the REIT) at the Meeting; (b) to deliver to the REIT duly executed proxies or voting instruction forms voting in favour of the Transaction; and (c) not to exercise any rights of dissent in connection with the Transaction.

The terms of the Voting and Support Agreements provide that nothing contained in such agreements limits or affects any actions that the applicable Trustee or executive officer may take in his or her capacity as trustee or officer of the REIT or limit or restrict the exercise of such Trustee or executive officer's fiduciary duties, including, without limitation, responding to an Acquisition Proposal and making any determinations in that regard in the exercise of fiduciary duties, subject to compliance with the terms of the Arrangement Agreement.

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

Loblaw

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

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

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

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

Extension of Annual Meeting Deadline

If the Special Resolution is approved at the Meeting, the Declaration of Trust will, if necessary, be amended and restated to add the following words at the end of section 6.1 of the Declaration of Trust: "Notwithstanding the foregoing, the annual meeting of Unitholders in respect of the year ended December 31, 2017 shall be held within nine months after the end of such fiscal year." The Declaration of Trust currently provides that the annual meeting must be held within six months after the end of each fiscal year. Such a meeting would not be required if the Transaction closed during the second quarter of 2018.

PROCEDURE FOR THE DELIVERY OF SECURITIES AND PAYMENT OF CONSIDERATION

Letter of Transmittal and Election Form

A Letter of Transmittal and Election Form has been mailed, together with this Circular, to each person who was a Registered Unitholder on the Record Date. Each Registered Unitholder must forward a properly completed and signed Letter of Transmittal and Election Form, with accompanying certificate(s) representing their Units, in order to receive the Consideration and any other entitlements to which such Unitholder is entitled under the Transaction. It is recommended that Registered Unitholders complete, sign and return the Letter of Transmittal and Election Form with accompanying certificate(s) representing the Units to the Depositary as soon as possible. **If you are a Registered Unitholder, to make a valid election as to the form of Consideration that you wish to receive under the Transaction, you must sign the Letter of Transmittal and Election Form and make a proper election (an "Election") thereunder and return it with the accompanying certificate(s) representing the Units to the Depositary prior to 5:00 p.m. (Toronto time) on April 9, 2018 (or if the Meeting is adjourned or postponed, prior to 5:00 p.m. (Toronto time) on the date that is two Business Days prior to the date of the adjourned or postponed Meeting, unless otherwise agreed in writing by Choice Properties and the REIT (the "Election**

Deadline")). If no Election is made or a Letter of Transmittal and Election Form is not received by the Election Deadline, Unitholders will be deemed to have elected to receive the Cash Consideration only, subject to proration (except for holders of Restricted Units, in respect of such Restricted Units).

The Letter of Transmittal and Election Form contains procedural information relating to the Transaction and should be reviewed carefully. The tendering of a Letter of Transmittal and Election Form will constitute a binding agreement between the REIT and the Unitholder upon the terms and subject to the conditions of the Letter of Transmittal and Election Form and the Transaction.

Except as otherwise provided in the instructions to the Letter of Transmittal and Election Form, any signature on the Letter of Transmittal and Election Form must be guaranteed by an Eligible Institution. If a Letter of Transmittal and Election Form is executed by a person other than the registered holder of the certificate(s) deposited therewith, the certificate(s) must be endorsed or be accompanied by an appropriate securities transfer power of attorney duly and properly completed by the registered holder, with the signature on the endorsement panel, or securities transfer power of attorney guaranteed by an Eligible Institution.

If you are a Beneficial Unitholder whose Units are registered in the name of a broker, investment dealer or other intermediary, you should contact that broker, investment dealer or other intermediary for instructions and assistance in delivery of the certificate(s) representing the Units and making an election with respect to the form of Consideration that you wish to receive. Your broker, investment dealer or other intermediary may require that you complete your election at a date prior to 5:00 p.m. (Toronto time) on April 9, 2018. If a Beneficial Unitholder instructs their broker, investment dealer or other intermediary to make an election with respect to the form of Consideration they wish to receive, such Beneficial Unitholder thereby expressly acknowledges that such Beneficial Unitholder has received and agrees to be bound by the terms of the Letter of Transmittal and Election Form.

In all cases, payment for Units deposited will be made only after timely receipt by the Depositary of the certificate(s) representing the Units together with the properly completed and duly executed Letter of Transmittal and Election Form in the form accompanying this Circular, or a manually executed facsimile thereof, relating to such Units, with signatures guaranteed if so required in accordance with the instructions in the Letter of Transmittal and Election Form, and any other required documents.

A Unitholder will not be entitled to sell its Units on the TSX after the Unitholder elects to receive its preferred Consideration. If a Unitholder fails to make a valid election prior to the Election Deadline (or, in the case of a Beneficial Unitholder, the time by which such Beneficial Unitholder is required to provide instructions to their broker, investment dealer or other intermediary) the Unitholder will continue to be able to sell its Units on the TSX for cash at any time prior to the Effective Time, but any purchaser of Units will be deemed to have elected to receive Cash Consideration for those Units.

All questions as to validity, form, eligibility (including timely receipt) and acceptance of any Units deposited pursuant to the Arrangement Agreement will be determined by the REIT in its sole discretion. Depositing Unitholders agree that such determination will be final and binding. No securities of Choice Properties will be issued to, nor will deliveries of Units be accepted from or on behalf of, Unitholders in any jurisdiction in which such issuance or acceptance would not be in compliance with the laws of such jurisdiction. The REIT reserves the absolute right to reject any and all deposits which the REIT determines not to be in proper form. The REIT further reserves the absolute right to waive any defect or irregularity in the deposit of any Units. There is no duty or obligation on the part of Choice Properties, the REIT, the Depositary or any other person to give notice of any defect or irregularity in any deposit of Units and no liability will be incurred by any of them for failure to give such notice. The REIT's and Choice Properties' interpretation of the terms and conditions of the Transaction (including this Circular and the Letter of Transmittal and Election Form) will be final and binding.

The method of delivery of certificates representing Units and all other required documents is at the option and risk of the person depositing the same. The REIT recommends that such documents be delivered by hand to the Depositary and a receipt be obtained or, if mailed, that registered mail with return receipt requested be used and that appropriate insurance be obtained. If Units are forwarded separately in multiple

deliveries to the Depositary, a properly completed and duly executed Letter of Transmittal and Election Form (or a manually signed facsimile copy hereof) must accompany each such delivery.

Available Elections and Procedure

Each Registered Unitholder will have the ability to elect in the Letter of Transmittal and Election Form the form of Consideration that the Registered Unitholder wishes to receive under the Transaction, subject to proration. **If you are a Registered Unitholder, to make a valid election as to the form of Consideration that you wish to receive under the Transaction, you must sign the Letter of Transmittal and Election Form and make a proper election thereunder and return it with accompanying certificate(s) representing the Units to the Depositary prior to the Election Deadline.**

An Election will have been properly made by a Registered Unitholder only if the Depositary has received, by the Election Deadline, the Letter of Transmittal and Election Form properly completed and signed and accompanied by the certificate(s) for the Units to which such Letter of Transmittal and Election Form relates, properly endorsed or otherwise in proper form for transfer.

If you are a Beneficial Unitholder whose Units are registered in the name of a broker, investment dealer or other intermediary, you should contact that broker, investment dealer or other intermediary for instructions and assistance in delivery of the certificate(s) representing the Units and making an election with respect to the form of Consideration that you wish to receive. Your broker, investment dealer or other intermediary may require that you complete your election at an earlier date prior to 5:00 p.m. (Toronto time) on April 9, 2018.

The determination of the REIT, in its sole discretion, as to whether Elections have been properly made or revoked and when Elections and revocations were received by the Depositary will be binding.

REGISTERED UNITHOLDERS WHO DO NOT MAKE AN ELECTION PRIOR TO THE ELECTION DEADLINE (OR, IN THE CASE OF A BENEFICIAL UNITHOLDER, THE TIME BY WHICH SUCH BENEFICIAL UNITHOLDER IS REQUIRED TO PROVIDE INSTRUCTIONS TO THEIR BROKER, INVESTMENT DEALER OR OTHER INTERMEDIARY), OR FOR WHOM THE REIT DETERMINES THAT THEIR ELECTION WAS NOT PROPERLY MADE WITH RESPECT TO ANY SECURITIES, WILL BE DEEMED TO HAVE ELECTED TO RECEIVE CASH CONSIDERATION ONLY (EXCEPT FOR HOLDERS OF RESTRICTED UNITS, IN RESPECT OF SUCH RESTRICTED UNITS), SUCH DEEMED ELECTION TO BE SUBJECT TO PRORATION.

The Depositary may, with the agreement of the REIT, acting reasonably, make such rules as are consistent with the Transaction for the implementation of Elections contemplated by the Transaction and as are necessary or desirable to fully effect such Elections.

Proration

Under the Transaction, Unitholders will have the ability to choose for each Unit held whether to receive $53.75 in cash or 4.2835 Choice Properties Units, subject to proration. The maximum amount of cash, which will be funded by Choice Properties, payable to Unitholders by the REIT on the Cash Redemption will be $1,651,532,198 (the "**Aggregate Cash Consideration**"). In addition, the REIT expects that approximately 183 million Choice Properties Units will be delivered by the REIT to Unitholders, based on the fully diluted number of Units outstanding as of the date of the Arrangement Agreement.

If the product of the Cash Consideration and the number of Units represented by Cash Electing Unitholders (disregarding any increase or decrease pursuant to the proration provided under the Plan of Arrangement) (such amount being the "**Elected Cash**") exceeds the Aggregate Net Cash Consideration, then:

(a) the number of Units for which a Cash Electing Unitholder has elected or deemed to have elected to receive Cash Consideration (disregarding any reduction pursuant to the proration provided under the Plan of Arrangement) will be reduced to that number of whole Units (rounded down to the

nearest whole Unit) equal to the product of that number of Units in respect of which such holder has elected to receive Cash Consideration and a fraction, the numerator of which is the Aggregate Net Cash Consideration and the denominator of which is the Elected Cash; and

(b) the number of Units for which a Cash Electing Unitholder will be entitled to receive Non-Cash Consideration will be increased by that number of Units equal to the difference between the number of Units for which the holder elected to receive Cash Consideration and the number of Units determined in accordance with paragraph (a) above.

If the Elected Cash is less than the Aggregate Net Cash Consideration (such difference being the "**Cash Difference**"), then:

(a) the number of the Elected Units of a Unit Electing Unitholder (disregarding any reduction pursuant to proration provided under the Plan of Arrangement) will be reduced by that number of whole Elected Units (rounded down to the nearest whole Unit) equal to the product obtained when: (i) a fraction, the numerator of which is equal to the Cash Difference and the denominator of which is equal to the Cash Consideration, is multiplied by (ii) a fraction, the numerator of which is the number of Elected Units of such Unit Electing Unitholder and the denominator of which is the total number of Elected Units of all Unit Electing Unitholders; and

(b) the number of Units for which a Unit Electing Unitholder will receive Cash Consideration will be increased by that number of Units equal to the number of Units determined in accordance with paragraph (a) above.

Each Restricted Unit will be exchanged for the Non-Cash Consideration without proration. The Choice Properties Units that holders of Restricted Units receive in respect of the Non-Cash Consideration will be subject to the same vesting, forfeiture and disposition provisions and such other terms and conditions as are applicable to the Restricted Units immediately prior to the completion of the Transaction. See "*The Transaction – Treatment of REIT Securities – Restricted Units*".

Delivery of Consideration

Payment of Consideration

The Arrangement Agreement contemplates that following receipt of the Final Order and not later than the last Business Day prior to the filing by the REIT and CREIT GP of the Articles of Arrangement, Choice Properties will provide the Depositary with (a) sufficient funds to allow the REIT to pay the Cash Consideration for all of the Units to be redeemed for cash pursuant to the Transaction in accordance with the Plan of Arrangement; and (b) an irrevocable treasury direction in respect of the aggregate number of Choice Properties Units required to allow the REIT to pay the Non-Cash Consideration. The funds and treasury direction will be held by the Depositary in escrow on terms and conditions satisfactory to the REIT and Choice Properties, each acting reasonably.

The Depositary will act as the agent of Persons who have deposited Units pursuant to the Transaction for the purpose of receiving payment from the REIT or Choice Properties, as applicable, in accordance with the Plan of Arrangement, and transmitting payment from the REIT or Choice Properties, as applicable, in accordance with the Plan of Arrangement, to such Persons, and receipt of payment by the Depositary will be deemed to constitute receipt of payment by Persons depositing Units.

In accordance with the timing set out in the Plan of Arrangement, the Depositary will, in the case of the Unitholders entitled to Cash Consideration and any other entitlements under the Transaction, cause individual cheques (or, if required by applicable Law, wire transfers) and, in the case of the Unitholders entitled to Non-Cash Consideration, cause certificates representing Choice Properties Units, to be sent to those Persons who have deposited a Letter of Transmittal and Election Form, duly completed and executed in the manner described therein, together with the certificate(s) representing such Unitholders' Units, and

accompanied by such other documents and instruments as the Depositary may reasonably require. Such cheques, wire transfers and certificates shall be:

(a) in the case of cheques and certificates, forwarded by first class mail, postage pre-paid, to the Person and at the address specified in the relevant Letter of Transmittal and Election Form or, if no address has been specified therein, at the address specified for the particular Unitholder in the register of the Unitholders of the Units;

(b) in the case of wire transfers, sent to an account pursuant to arrangements made with the Depositary; or

(c) if requested by such Unitholder in the Letter of Transmittal and Election Form, made available or caused to be made available at the Depositary for pick up by such Unitholder.

If you are a Beneficial Unitholder whose Units are registered in the name of a broker, investment dealer or other intermediary, you should contact that broker, investment dealer or other intermediary for instructions and assistance in delivery of the certificate(s) representing the Units and making an election with respect to the form of Consideration that you wish to receive. Beneficial Unitholders will have their brokerage accounts credited with the Consideration payable to them in connection with the Transaction and in accordance with the terms of this Circular and the Letter of Transmittal and Election Form through their broker's, investment dealer's or other intermediary's position in CDS.

All amounts receivable by the Unitholders pursuant to the Transaction shall be without interest.

In regard to Persons entitled to receive Choice Properties Units pursuant to the Plan of Arrangement, the Depositary will make the registrations provided in the Plan of Arrangement in the name of each Person entitled to be registered or as otherwise instructed in the Letter of Transmittal and Election Form deposited by such Person and will deliver certificates representing Choice Properties Units in accordance with the Plan of Arrangement. Certificates in respect of the Non-Cash Consideration will be delivered to Registered Unitholders in connection with the Transaction and Beneficial Unitholders will have their brokerage accounts credited with the Non-Cash Consideration through their broker's, investment dealer's or other intermediary's position in CDS. In the event of a transfer of ownership of the Units that was not registered in the registers of Units maintained by or on behalf of the REIT, a certificate representing the proper number of Choice Properties Units may be issued to the transferee if the certificate representing such Units is presented to the Depositary, accompanied by all documents required to evidence and effect such transfer and to evidence that any applicable taxes have been paid.

The Depositary will receive reasonable and customary compensation for its services in connection with the Transaction, will be reimbursed for certain out-of-pocket expenses and will be indemnified by the REIT against certain liabilities under applicable securities laws and expenses in connection therewith.

Upon completion of the Transaction, from and after the Effective Time the Unitholders will cease to be holders of Units and to have any rights as Unitholders, other than the right to receive, in the case of each Dissenting Unitholder, the fair value of the Units as determined under the Plan of Arrangement, and in the case of each other Unitholder, the Cash Consideration and Non-Cash Consideration, as the case may be, that the former Unitholder is entitled to in accordance with the terms of the Plan of Arrangement upon such former Unitholder depositing with the Depositary the Letter of Transmittal and Election Form duly executed and completed and the certificate(s) and such other documents and instruments as the Depositary may reasonably require, subject to compliance with the Plan of Arrangement.

No Fractional Non-Cash Consideration; Remaining Choice Properties Units

Under the terms of the Plan of Arrangement, Unitholders who are entitled to Non-Cash Consideration will only receive a whole number of Choice Properties Units. Such number of Choice Properties Units as is equal to the sum of the fractional Choice Properties Units that Unitholders are entitled to receive under the Plan of Arrangement are referred to as the "**Remaining Choice Properties Units**". The terms of the

Arrangement Agreement and the Plan of Arrangement require the REIT to deliver the Remaining Choice Properties Units to the Depositary. The REIT and Choice Properties will cause the Depositary to, as expeditiously as is commercially reasonable following the Effective Time, sell the Remaining Choice Properties Units on behalf of the Unitholders who are entitled to receive fractional Choice Properties Units under the Plan of Arrangement through the facilities of the TSX and pay the net proceeds of such sales, after brokerage sales commissions, to such Unitholders, in proportion to their respective entitlements to Remaining Choice Properties Units, net of any applicable withholding taxes and without interest.

Lost Certificates

In the event that any instrument or certificate which immediately prior to the Effective Time represented one or more outstanding Units that were redeemed and cancelled pursuant to the Plan of Arrangement shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Unitholder claiming such instrument or certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed instrument or certificate a certified cheque representing the appropriate aggregate amount of Cash Consideration deliverable to such Unitholder or a certificate representing the Non-Cash Consideration, as applicable, deliverable to such Unitholder in accordance with the provisions of the Plan of Arrangement. When authorizing such payment in exchange for any lost, stolen or destroyed instrument or certificate, the Unitholder to whom such payment is to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to Choice Properties, the REIT and the Depositary in such sum as Choice Properties, the REIT or the Depositary may direct, acting reasonably, or otherwise indemnify Choice Properties, the REIT and the Depositary in a manner satisfactory to Choice Properties, the REIT and the Depositary, acting reasonably, against any claim that may be made against Choice Properties, the REIT or the Depositary with respect to the instrument or certificate alleged to have been lost, stolen or destroyed.

Cancellation Rights after Six Years

If any instrument or certificate which immediately prior to the Effective Time represented outstanding Units that were redeemed and cancelled under the Plan of Arrangement (or an affidavit of loss and bond or other indemnity in respect of a loss, stolen or destroyed certificate), together with such other documents or instruments that are required to be delivered by such former Unitholder in order to receive payment for its Units and all other instruments required by the Plan of Arrangement are not deposited on or prior to the sixth anniversary of the Effective Date, such instrument and certificate shall cease to represent a claim or interest of any kind or nature against the REIT and Choice Properties. On such date, the aggregate Cash Consideration and Non-Cash Consideration to which the former Unitholder referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered for no consideration to Choice Properties and shall be returned to Choice Properties by the Depositary.

Withholding Rights

Each of the REIT, Choice Properties and the Depositary, as applicable, shall be entitled to deduct or withhold from any payment to any Person pursuant to the Plan of Arrangement such amounts as it is required to deduct or withhold or is required to deduct and withhold with respect to such payment under the Tax Act or any provision of any Law and remit such deduction and withholding amount to the appropriate Governmental Entity. To the extent that amounts are so properly deducted or withheld, such deducted or withheld amounts shall be treated for all purposes of the Arrangement Agreement and the Transaction as having been paid to the Person to whom such amounts would otherwise have been paid, provided that such withheld amounts are actually remitted to the appropriate Governmental Entity.

Adjustment to Non-Cash Consideration

The number of Choice Properties Units comprising the Non-Cash Consideration shall be adjusted to reflect fully the effect of any unit split, reverse split, issuance of units (including any units issued in satisfaction of any amounts made payable to holders of Choice Properties Units or Units or the issuance of Choice Properties Units or Units on a conversion of securities convertible into such units), consolidation, reorganization, recapitalization or other like change with respect to Choice Properties Units or Units

occurring after the date of the Arrangement Agreement and prior to the Effective Time, or with a record date prior to the Effective Time and occurring after the Effective Time.

DISSENT RIGHTS

Dissent Rights

The foregoing is only a summary of the dissent rights provided for in the Plan of Arrangement and the Interim Order, which are technical and complex. It is recommended that any Registered Unitholder wishing to avail himself, herself or itself of Dissent Rights under those provisions seek legal advice, as failure to comply strictly with the Plan of Arrangement may prejudice his, her or its Dissent Rights.

The Interim Order expressly provides Registered Unitholders with the right to dissent from the Special Resolution as provided in the Plan of Arrangement. Pursuant to the Plan of Arrangement, the Dissenting Units held by Dissenting Unitholders who validly exercise their Dissent Rights will be redeemed by the REIT and the Dissenting Unitholders will cease to have any rights in respect of such Dissenting Units other than the right to be paid, subject to withholding rights as set forth in the Plan of Arrangement, the fair value for their Dissenting Units, which fair value will be determined as of the close of business on the day before the Special Resolution is adopted at the Meeting. Such Dissenting Unitholders will not be entitled to any other payment or consideration, including any payment that would be payable under the Transaction had such Dissenting Unitholders not exercised their Dissent Right in respect of such Dissenting Units.

A Dissenting Unitholder who for any reason is not entitled to be paid the fair value of the holder's Dissenting Units will, in respect of such Dissenting Units, be treated as having participated in the Transaction as if such Dissenting Unitholder had not dissented and had elected to receive Cash Consideration for such Dissenting Units (including in respect of proration under the Plan of Arrangement).

A Registered Unitholder who wishes to dissent must provide a dissent notice to the REIT c/o Blake, Cassels & Graydon LLP, 199 Bay Street, Suite 4000, Toronto, Ontario M5L 1A9, Attention: Ryan Morris or by facsimile (416-863-2653) or by e-mail at: ryan.morris@blakes.com, no later than 5:00 p.m. (Toronto time) on April 9, 2018, or the second Business Day immediately preceding the date to which the Meeting is adjourned or postponed. Strict adherence to the procedures established in the Interim Order and the Plan of Arrangement is required in order to validly dissent and failure to do so may result in the loss of all Dissent Rights. Accordingly, each Unitholder who might desire to exercise the Dissent Rights should carefully consider and comply with the provisions of the Plan of Arrangement and Interim Order and consult such Unitholder's legal advisor.

The filing of a dissent notice does not deprive a Unitholder of the right to vote at the Meeting; however, a Unitholder who has submitted a dissent notice and who votes in favour of the Special Resolution will no longer be considered a Dissenting Unitholder with respect to the Dissenting Units voted in favour of the Special Resolution. If such Dissenting Unitholder votes in favour of the Special Resolution in respect of a portion of the Units he, she or it holds as an intermediary on behalf of any one beneficial owner, such vote approving the Special Resolution will be deemed to apply to the entirety of the Dissenting Units held in the name of that beneficial owner. **A vote against the Special Resolution will not constitute a dissent notice. The revocation of a proxy will not constitute a dissent notice.**

Persons who are beneficial owners of Units registered in the name of a broker, investment dealer or other intermediary who wish to dissent should be aware that only the registered holders of such Units are entitled to dissent. Accordingly, a beneficial owner of Units desiring to exercise his, her or its right to dissent must make arrangements for the registered holder of his, her or its Units to dissent on his, her or its behalf. See Appendix "B" for the full text of the Interim Order, Appendix "D" for the full text of the Plan of Arrangement and Appendix "J" for the full text of section 9.1 of the Declaration of Trust.

Choice Properties may elect not to proceed with the Transaction if holders of greater than 5% of the outstanding Units shall have validly exercised Dissent Rights. See "*The Arrangement Agreement – Summary of the Arrangement Agreement – Conditions*".

Recognition of Dissenting Unitholders

In no circumstances will Choice Properties, the REIT or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those Units in respect of which such rights are sought to be exercised. For greater certainty, in no case will Choice Properties, the REIT or any other Person be required to recognize a Dissenting Unitholder as a holder of Units in respect of which Dissent Rights have been validly exercised as at the time such Units are redeemed as set out in the Plan of Arrangement. In addition to any other restrictions in section 9.1 of the Declaration of Trust as applicable under the Interim Order, any Person who has voted in favour of the Transaction shall not be entitled to exercise Dissent Rights, and holders of Debentures and holders of Restricted Units shall not be entitled to exercise Dissent Rights in respect of Debentures and Restricted Units, respectively.

THE ARRANGEMENT AGREEMENT

Summary of the Arrangement Agreement

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

The Arrangement Agreement has been filed on the SEDAR website of the Canadian Securities Administrators (www.sedar.com). The following is a summary of certain provisions of the Arrangement Agreement, but is not intended to be complete. Please refer to the Arrangement Agreement for a full description of the terms and conditions thereof.

Covenants

General

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

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

Conduct of the REIT's Business

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

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

Conduct of Choice Properties' Business

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

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

Regulatory Covenants

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

Non-Solicitation Covenant

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

The Arrangement Agreement further provides that the REIT will, and will cause its Subsidiaries and its and their Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, or negotiations with any Person (other than Choice Properties and its affiliates) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, and in connection therewith will: (a) discontinue access to and disclosure of all information regarding the REIT or any of its Subsidiaries in respect of any inquiry, proposal or offer that

constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, including any data room and any other confidential information, properties, facilities, books or records of the REIT or any Subsidiary of the REIT; and (b) to the extent that such information has not previously been returned or destroyed, within two Business Days of the date of the Arrangement Agreement request, and exercise all rights it has to require, (i) the return or destruction of all copies of any confidential information regarding the REIT or any Subsidiary of the REIT provided to such Person making such inquiry, proposal or offer, and (ii) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding the REIT or any Subsidiary of the REIT provided to such Person, in each case, provided to any Person making such inquiry, proposal or offer other than Choice Properties or any of its affiliates in respect of any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, using its commercially reasonable efforts to ensure that such requests are fully complied with in accordance with the terms of such rights or entitlements.

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

Notice to Choice Properties of Acquisition Proposals

If the REIT or any of its Subsidiaries or any of their respective Representatives receives any written or oral inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, or any request in connection with any written or oral inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal for copies of, access to, or disclosure of, confidential information relating to the REIT or any Subsidiary of the REIT, including information, access, or disclosure relating to the properties, facilities, books or records of the REIT or any Subsidiary of the REIT, the REIT will promptly notify Choice Properties, at first orally, and then promptly (and in any event within 48 hours) in writing, of such Acquisition Proposal, inquiry, proposal, offer or request, including a description of the material terms and conditions of the Acquisition Proposal, inquiry, proposal, offer or request and the identity of all Persons making the Acquisition Proposal, inquiry, proposal, offer or request and will provide Choice Properties with copies of all written agreements, documents, correspondence (other than immaterial correspondence) or other materials received in respect of, from or on behalf of any such Persons. The REIT will keep Choice Properties fully informed on the status of all material developments and discussions and negotiations with respect to such Acquisition Proposal, inquiry, proposal, offer or request, including any material changes, modifications or other amendments to any such Acquisition Proposal, inquiry, proposal, offer or request and will provide to Choice Properties copies of all correspondence (other than immaterial correspondence) if in writing or electronic form, and if not in writing or electronic form, a description of the material terms of such correspondence communicated to the REIT by or on behalf of any Person making any such Acquisition Proposal, inquiry, proposal, offer or request.

Ability to Respond to a Superior Proposal

If at any time prior to the Special Resolution having been approved in accordance with the Interim Order, the REIT receives a written Acquisition Proposal, the REIT and its Representatives may (a) enter into, engage in, participate in, facilitate and maintain discussions or negotiations with the relevant Person regarding such Acquisition Proposal, and (b) provide copies of, access to or disclosure of confidential information, properties, facilities, books or records of the REIT and its Subsidiaries to such Person provided that: (i) the Board first determines in good faith, after consultation with outside legal counsel and financial advisers to the REIT, that such Acquisition Proposal constitutes, or could reasonably be expected to constitute or lead to, a Superior Proposal; (ii) prior to providing any such copies, access, or disclosure, the REIT enters into a

confidentiality agreement acceptable under the Arrangement Agreement and any such copies, access or disclosure provided to such Person will have already been (or simultaneously be) provided to Choice Properties; (iii) prior to providing any such copies, access or disclosure, the REIT provides Choice Properties with a true, complete and final executed copy of the applicable confidentiality agreement; and (iv) such Acquisition Proposal does not result from a breach by the REIT of its obligations under the Arrangement Agreement and the Person making such Acquisition Proposal was not restricted from doing so pursuant to a standstill or similar agreement or restriction.

Choice Properties' Right to Match

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

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

(b) the REIT has delivered to Choice Properties a written notice of the determination of the Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the Board to enter into a definitive agreement with respect to such Superior Proposal, together with a written notice from the Board regarding the value and financial terms that the Board, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Superior Proposal (the "**Superior Proposal Notice**");

(c) the REIT has provided Choice Properties a copy of the proposed definitive agreement for the Superior Proposal and all supporting materials, including any financing documents, supplied to the REIT and its Subsidiaries in connection therewith;

(d) at least five Business Days have elapsed from the later of the date on which the REIT delivered the Superior Proposal Notice and the date on which Choice Properties received the materials set out in paragraph (c) above (the "**Matching Period**");

(e) after the Matching Period, the Board (i) has determined, after consultation with its outside legal counsel and financial advisers, that such Acquisition Proposal continues to constitute a Superior Proposal (if applicable, compared to the terms of the Transaction, as proposed to be amended by Choice Properties in accordance with the terms of the Arrangement Agreement) and (ii) has determined, after consultation with its outside legal counsel and financial advisers, that the failure by the Board to recommend that the REIT enter into a definitive agreement with respect to such Superior Proposal would be inconsistent with its fiduciary duties under applicable Law and the Declaration of Trust, as applicable; and

(f) prior to or concurrently with entering into such definitive agreement, the REIT terminates the Arrangement Agreement and pays the Termination Fee, each in accordance with the terms of the Arrangement Agreement.

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

Choice Properties and the REIT and Choice Properties will amend the Arrangement Agreement and will take and cause to be taken all such actions as are necessary to give effect to the foregoing.

Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Unitholders or other material terms or conditions thereof will constitute a new Acquisition Proposal for the purposes of the Arrangement Agreement, and Choice Properties will be afforded a new Matching Period in connection therewith, provided that the duration of such Matching Period will be three Business Days rather than five Business Days.

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

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

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

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

Representations and Warranties

The Arrangement Agreement contains customary representations and warranties made by the REIT to Choice Properties in respect of the REIT and customary representations and warranties made by Choice Properties to the REIT in respect of Choice Properties. Those representations and warranties were made solely for purposes of the Arrangement Agreement, were made as of a specified date and may be subject to contractual standards of materiality different from what may be viewed as material to Unitholders. For the foregoing reasons, Unitholders should not rely on the representations and warranties contained in the Arrangement Agreement as statements of factual information at the time they were made or otherwise.

Conditions

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

(a) the Choice Properties Unitholder Approval will have been obtained;

(b) the Special Resolution will have been approved and adopted by Unitholders;

(c) the requisite Interim Order and the Final Order will have each been obtained;

(d) the Articles of Arrangement will be in form and substance satisfactory to each Party, acting reasonably;

(e) the Competition Act Approval will have been obtained;

(f) no Law (other than in connection with the Competition Act Approval) is in effect that makes the consummation of the Transaction illegal or otherwise prohibits or enjoins the REIT, CREIT GP or Choice Properties from consummating the Transaction;

(g) Choice Properties will have obtained approval to the listing of the Choice Properties Units issuable or to be made issuable pursuant to the Transaction on the TSX; and

(h) the Choice Properties Units issuable or to be made issuable pursuant to the Transaction will be freely tradeable in accordance with all applicable securities laws, excluding restrictions in respect of trades from holdings of a control person.

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

(a) conditions related to covenants to be performed by the REIT and the correctness of representations and warranties provided by the REIT;

(b) since the date of the Arrangement Agreement until immediately prior to the Effective Time, there will not have occurred a Material Adverse Effect with respect to the REIT; and

(c) holders of not greater than 5% of the outstanding Units will have validly exercised Dissent Rights in respect of the Transaction that have not been withdrawn as of the Effective Date.

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

(a) conditions related to covenants to be performed by Choice Properties and the correctness of representations and warranties provided by Choice Properties;

(b) since the date of the Arrangement Agreement until immediately prior to the Effective Time, there will not have occurred a Material Adverse Effect with respect to Choice Properties;

(c) the Class C Conversion will have been completed; and

(d) Choice Properties will have deposited or caused to be deposited with the Depositary in escrow (the terms and conditions of such escrow to be satisfactory to the REIT and Choice Properties, acting reasonably) the Cash Consideration and an irrevocable treasury direction in respect of the Non-Cash Consideration payable to Unitholders as provided for in the Plan of Arrangement.

Termination

Termination by Choice Properties or the REIT

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

Termination by the REIT

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

(a) the Choice Properties Unitholder Approval is not obtained;

(b) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Choice Properties under the Arrangement Agreement occurs that would cause certain conditions in the Arrangement Agreement not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of the Arrangement Agreement; provided that the REIT is not then in breach of the Arrangement Agreement so as to cause certain conditions in the Arrangement Agreement not to be satisfied;

(c) (i) all mutual conditions precedent and all conditions precedent of Choice Properties outlined in the Arrangement Agreement (excluding conditions that, by their terms, are to be satisfied on the Effective Date) have been satisfied or waived, (ii) the REIT has given notice to Choice Properties in writing that it is prepared to complete the Transaction, and (iii) Choice Properties does not provide or cause to be provided the Depositary with sufficient funds and the irrevocable treasury direction required to complete the transactions contemplated by the Arrangement Agreement within three Business Days after the delivery of such notice;

(d) prior to the Special Resolution having been approved in accordance with the Interim Order, the Board authorizes the REIT to enter into a definitive written agreement (other than a confidentiality agreement permitted by and in accordance with the Arrangement Agreement) with respect to a Superior Proposal, provided the REIT is then in compliance with the Arrangement Agreement and, prior to or concurrent with such termination, the REIT pays the Termination Fee in accordance with the Arrangement Agreement; or

(e) after the date of the Arrangement Agreement, a Material Adverse Effect in respect of Choice Properties has occurred.

Termination by Choice Properties

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

(a) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the REIT under the Arrangement Agreement occurs that would cause certain conditions in the Arrangement Agreement not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of the Arrangement Agreement; provided that Choice Properties is not then in breach of the Arrangement Agreement so as to cause certain conditions in the Arrangement Agreement not to be satisfied;

(b) prior to the Special Resolution having been approved, there is a Change in Recommendation;

(c) the REIT has breached its non-solicitation covenants in the Arrangement Agreement in any material respect; or

(d) after the date of the Arrangement Agreement, a Material Adverse Effect in respect of the REIT has occurred.

Termination Fee

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

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

(a) at the time of such termination, (i) Choice Properties financing commitments have not been terminated, withdrawn or rescinded without being replaced in compliance with the Arrangement Agreement, and (ii) the REIT is not entitled to terminate the Arrangement Agreement in connection with the failure of Choice Properties to provide or cause to be provided the Depositary with sufficient funds in accordance with the Arrangement Agreement;

(b) prior to such termination, a *bona fide* Acquisition Proposal is proposed, offered or made or publicly announced or otherwise publicly disclosed by any Person other than Choice Properties or any of its affiliates or any Person other than Choice Properties or its affiliates have publicly announced an intention to make an Acquisition Proposal; and

(c) within twelve months following the date of such termination, an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in paragraph (b) above) is consummated.

Expenses

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

Insurance and Indemnification of Trustees, Directors and Officers

From and after the Effective Time, the REIT will, and Choice Properties will cause the REIT (or its successor) to, indemnify and hold harmless, to the fullest extent permitted under applicable Law, each present and former trustee, director and officer of the REIT and its Subsidiaries against certain claims

arising out of or related to such Person's service as a trustee, director or officer of the REIT and/or any of its Subsidiaries or services performed by such Persons at the request of the REIT and/or any of its Subsidiaries. In addition, prior to the Effective Time, Choice Properties will (at the REIT's expense) obtain and fully prepay the premium for the irrevocable extension of (a) the trustees', directors' and officers' liability coverage of the REIT's and its Subsidiaries' existing trustees', directors' and officers' insurance policies and (b) the REIT's existing fiduciary liability insurance policies, in each case for a claims reporting or run-off and extended reporting period and claims reporting period of at least six years from and after the Effective Time with respect to any claim related to any period of time at or prior to the Effective Time, subject to certain conditions set forth in the Arrangement Agreement.

PRINCIPAL LEGAL MATTERS

Securities Laws Matters

Canada

Distribution of Choice Properties Units

The distribution of the Choice Properties Units on the Effective Date pursuant to the Transaction will be made pursuant to exemptions from the prospectus requirements contained in applicable securities legislation in the provinces and territories of Canada. Under applicable securities laws, the Choice Properties Units distributed in connection with the Transaction may be resold in Canada without hold period restrictions, except that any person, company or combination of persons or companies holding a sufficient number of Choice Properties Units to affect materially the control of Choice Properties will be restricted in reselling such Choice Properties Units pursuant to securities laws applicable in Canada.

Each Unitholder is urged to consult the holder's professional advisors with respect to restrictions applicable to trades in Choice Properties Units under applicable securities laws.

On or following the Effective Date, the REIT will apply to cease or be deemed to have ceased to be a reporting issuer in each of the provinces and territories of Canada under which it is currently a reporting issuer.

MI 61-101 Requirements

The REIT is a reporting issuer in each of the provinces and territories of Canada and is accordingly subject to applicable securities laws of the jurisdictions that have adopted MI 61-101. MI 61-101 regulates transactions which raise the potential for conflicts of interest, including issuer bids, insider bids, related party transactions and business combinations. MI 61-101 is intended to ensure that all securityholders are treated in a manner that is fair and that is perceived to be fair with respect to these transactions.

Unless certain exceptions apply, the Transaction would constitute a "business combination" for the purposes of MI 61-101, and the requirements of MI 61-101 would apply, including the requirements to obtain minority approval and a formal valuation of the REIT. If "minority approval" is required, MI 61-101 would require that, in addition to the approval of the Special Resolution by at least 66 $^{2}/_{3}$% of the votes cast by the Unitholders, voting as a single class, present in person or represented by proxy, the Transaction would also require the approval of a simple majority of the votes cast by Unitholders, excluding votes cast in respect of Units held by "related parties" who receive a "collateral benefit" (as such terms are defined in MI 61-101) as a consequence of the Transaction.

The Board has determined that the Transaction does not constitute a "business combination" for the purposes of MI 61-101. In assessing whether the Transaction could be considered to be a "business combination" for the purposes of MI 61-101, the REIT reviewed all benefits or payments which related parties of the REIT are entitled to receive, directly or indirectly, as a consequence of the Transaction to determine whether any constituted a "collateral benefit". Pursuant to MI 61-101, a "collateral benefit" for a transaction of an issuer or for a bid for securities of an issuer, means any benefit that a related party of the

issuer is entitled to receive, directly or indirectly, as a consequence of the transaction or bid, including, without limitation, an increase in salary, a lump sum payment, a payment for surrendering securities, or other enhancement in benefits related to past or future services as an employee, director or consultant of the issuer or of another person, regardless of the existence of any offsetting costs to the related party or whether the benefit is provided, or agreed to, by the issuer, another party to the transaction or the offeror in the bid.

For these purposes, the only related parties of the REIT that are entitled to receive a benefit, directly or indirectly, as a consequence of the Transaction are certain senior officers of the REIT.

As disclosed under the heading "*The Transaction – Treatment of REIT Securities*", certain senior officers of the REIT are holders of Restricted Units under the Restricted Unit Plan. These include vested and unvested Restricted Units subject to and administered under the Restricted Unit Plan. Under the Plan of Arrangement, Choice Properties will assume the obligations of the REIT under the Restricted Unit Plan and holders of Restricted Units will have each Restricted Unit redeemed for the Non-Cash Consideration. The Choice Properties Units that holders of Restricted Units receive will be subject to the same vesting, forfeiture and disposition provisions and such other terms and conditions as are applicable to the Restricted Units pursuant to the Restricted Unit Plan immediately prior to the completion of the Transaction. As such, holders of Restricted Units will not have the ability to elect, in respect of such Restricted Units, between Cash Consideration and Non-Cash Consideration, and the Non-Cash Consideration to be received by holders of Restricted Units, in respect of such Restricted Units, will not be subject to proration.

Furthermore, if the Transaction is completed, certain senior officers may, in certain circumstances, become entitled to certain rights upon and/or following a change of control as described under the heading "*Interests of Certain Persons or Companies in Matters to be Acted Upon – Interests of Certain Persons in the Transaction – Change of Control Arrangements*".

MI 61-101 expressly excludes benefits from the definition of "collateral benefits" if such benefits are received solely in connection with the related party's services as an employee, trustee or consultant under certain circumstances, where the related party beneficially owns or exercises control or direction over less than 1% of the outstanding securities of each class of equity securities of the issuer at the time the transaction was agreed to or the bid was publicly announced and (i) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the transaction or bid; (ii) the conferring of the benefit is not, by its terms, conditional on the related party supporting the transaction or bid in any manner; and (iii) full particulars of the benefit are disclosed in the disclosure document for the transaction or in the directors' circular in the case of a take-over bid.

As none of the senior officers held 1% or more of the outstanding securities of each class of equity securities of the REIT at the time the Transaction was agreed to, and the remainder of the conditions described above have been complied with, the foregoing benefits are not "collateral benefits" for the purposes of MI 61-101. Accordingly, the Transaction is not considered to be a "business combination" in respect of the REIT, and as a result, no "minority approval" is required for the Special Resolution. In addition, since the Transaction does not constitute a business combination, no formal valuation of the REIT is required for the Transaction under MI 61-101.

See "*Interests of Certain Persons or Companies in Matters to be Acted Upon – Interests of Certain Persons in the Transaction*" for detailed information regarding the benefits and other payments to be received by certain senior officers of the REIT in connection with the Transaction.

United States

The Choice Properties Units to be received by Unitholders in exchange for Units pursuant to the Transaction have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws and will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in section 3(a)(10) thereof and pursuant to exemptions from registration under any applicable state securities laws. Section 3(a)(10) of the U.S. Securities Act exempts from the registration requirements under

the U.S. Securities Act securities issued in exchange for outstanding securities where the terms and conditions of the issuance and exchange are approved by a court of competent jurisdiction that is expressly authorized by Law to grant such approval, after a hearing upon the fairness of such terms and conditions of such issuance and exchange at which all persons to whom the securities will be issued in such exchange have the right to appear and receive timely notice thereof. In determining whether it is appropriate to approve the Plan of Arrangement, the Court will consider whether the terms and conditions of the Plan of Arrangement are fair to Unitholders. The Final Order is required for the Transaction to become effective, and the Court will be advised that if the terms and conditions of the Transaction are approved by the Court pursuant to the Final Order, the Choice Properties Units issuable under the Transaction will not require registration under the U.S. Securities Act, pursuant to section 3(a)(10) thereof. Therefore, if the Court approves the Transaction, its approval will constitute the basis for Choice Properties Units to be issued without registration under the U.S. Securities Act. The Choice Properties Units received in exchange for the Units pursuant to the Transaction will be freely tradable under U.S. federal securities laws except by persons who are, or within 90 days prior to the Effective Time were, affiliates (as defined in Rule 144 under the U.S. Securities Act) of Choice Properties. Any such Choice Properties Units held by such an affiliate (or, if applicable, former affiliate) may only be resold in compliance with or pursuant to an exemption from the registration requirements of the U.S. Securities Act.

As defined in Rule 144 under the U.S. Securities Act, an “affiliate” of an issuer is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the issuer. The determination of whether a person is an “affiliate” (as defined in Rule 144 under the U.S. Securities Act) is dependent upon all relevant facts and circumstances. Persons who are executive officers, directors or 10% or greater holders of an issuer or who are otherwise able to exert influence over an issuer should consult with their own legal counsel regarding whether they would be considered affiliates for purposes of Rule 144 and whether resales of the Choice Properties Units will be subject to restrictions imposed by the U.S. Securities Act. Subject to certain limitations, such affiliates (and former affiliates) may immediately resell such Choice Properties Units outside the United States without registration under the U.S. Securities Act pursuant to and in accordance with Regulation S under the U.S. Securities Act. Such Choice Properties Units may also be resold in transactions completed in accordance with Rule 144 under the U.S. Securities Act, if available.

The solicitation of proxies made in connection with this Circular is not subject to the requirements of section 14(a) of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with applicable Canadian disclosure requirements, which are different than the requirements applicable to proxy solicitations under the U.S. Exchange Act.

The foregoing discussion is only a general overview of certain requirements of the U.S. Securities Act applicable to the resale of the Choice Properties Units receivable by Unitholders upon completion of the Transaction. **All holders of such securities are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.**

Court Approval Process

The Plan of Arrangement requires Court approval. Prior to the mailing of this Circular, the Interim Order was obtained from the Court. The Interim Order and Notice of Application for the Final Order are attached to this Circular as Appendix “B” and “C”, respectively. The Interim Order, among other things, provides for the calling and holding of the Meeting and other procedural matters. The Interim Order does not constitute approval of the Plan of Arrangement or the contents of this Circular by the Court. Subject to the terms of the Plan of Arrangement and the Interim Order, if the Special Resolution is approved by Unitholders at the Meeting, the REIT will apply to the court to obtain the Final Order. The hearing in respect of the Final Order is scheduled to take place at the Court located at 330 University Avenue, Toronto, Ontario M5G 1R7 on April 13, 2018 at 10:00 a.m. (Toronto time).

Under the terms of the Interim Order, each Unitholder, each Trustee, the auditors of the REIT and any other interested person will have the right to appear and make submissions at the hearing of the application for the Final Order. Any person desiring to appear at the hearing of the application for the Final Order is

required to indicate his, her or its intention to appear by filing with the Court and serving upon the REIT at the address set out below, no less than four Business Days before the hearing of the application for the Final Order, a notice of appearance, including his, her or its address for service, together with all materials on which he, she or it intends to rely at the application hearing. The notice of appearance and supporting materials must be delivered, within the time specified, to the REIT at the following address: c/o Blake, Cassels & Graydon LLP, 199 Bay Street, Suite 4000, Toronto, Ontario M5L 1A9, Attention: Ryan Morris.

Unitholders who wish to participate in or be represented at the Court hearing for the Final Order should consult their legal advisors as to the necessary requirements.

The Choice Properties Units to be received by Unitholders in exchange for Units pursuant to the Transaction have not been and will not be registered under the U.S. Securities Act. Prior to the hearing on the Final Order, the Court will be informed that the parties intend to rely on the Final Order, if granted, as the basis for the exemption from the registration requirements of the U.S. Securities Act set forth in section 3(a)(10) of the U.S. Securities Act with respect to the Choice Properties Units to be issued pursuant to the Transaction.

The authority of the Court is very broad. The Court may make any enquiry it considers appropriate and may make any order it considers appropriate with respect to the Plan of Arrangement. The Court will consider, among other things, the fairness and reasonableness of the Plan of Arrangement to the Unitholders. The Court may approve the Plan of Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit.

Regulatory Matters

The Transaction is conditional upon the receipt of certain regulatory approvals or decisions, including Competition Act Approval. Under the Competition Act, the acquisition of the assets of an operating business or the acquisition of the units of a trust that carries on an operating business in Canada may require pre-merger notification if the statutory size of parties and size of transaction thresholds are exceeded. It has been determined that pre-merger notification is required in respect of the Transaction.

Subject to certain limited exceptions, the parties to a notifiable transaction cannot complete the transaction until they have submitted the information prescribed pursuant to subsection 114(1) of the Competition Act to the Commissioner and the applicable waiting period has expired or been terminated by the Commissioner. The waiting period is 30 calendar days after the day on which the parties to the transaction submit the prescribed information, provided that, before the expiry of this period, the Commissioner has not notified the parties that he requires additional information that is relevant to the Commissioner's assessment of the transaction pursuant to subsection 114(2) of the Competition Act (a "**Supplementary Information Request**"). In the event that the Commissioner issues a Supplementary Information Request, the parties cannot complete the transaction until 30 calendar days after compliance with such Supplementary Information Request, provided that there is no order in effect prohibiting completion at the relevant time.

Alternatively, or in addition to filing the prescribed information, the parties to a notifiable transaction may apply to the Commissioner for an advance ruling certificate or, in the alternative, a No-Action Letter. An advance ruling certificate may be issued where the Commissioner is satisfied that he would not have sufficient grounds to challenge the transaction under section 92 of the Competition Act. Where the Commissioner issues an advance ruling certificate in respect of a transaction and the transaction is substantially completed within one year thereafter, the transaction is exempt from the pre-merger notification filing requirement and the Commissioner is precluded from challenging the transaction based solely on information that is the same or substantially the same as the information on the basis of which the advance ruling certificate was issued. If the Commissioner is not prepared to issue an advance ruling certificate, a No-Action Letter may be issued where the Commissioner does not, at that time, intend to challenge the transaction by making an application under section 92 of the Competition Act. Where a No-Action Letter is issued, the Commissioner retains the right to challenge a transaction until one year after it was substantially completed. While the issuance of a No-Action Letter does not exempt a transaction from the pre-merger filing requirement, it is typically issued together with a waiver of the obligation to notify the Commissioner

and supply information pursuant to subsection 113(c) of the Competition Act in circumstances where the information prescribed pursuant to subsection 114(1) has not been filed.

With respect to the Transaction, the Parties expected to file on March 9, 2018 a letter requesting an advance ruling certificate or, in the alternative, a No-Action Letter, as well as a notification pursuant to subsection 114(1) of the Competition Act. The Transaction is conditioned upon the receipt of an advance ruling certificate or No-Action Letter, or (at the sole election of Choice Properties) the expiry or termination of the applicable statutory waiting period.

Stock Exchange Matters

Choice Properties

The Choice Properties Units are currently listed on the TSX under the symbol "CHP.UN". Application has been made for the listing on the TSX of the Choice Properties Units to be issued in connection with the Transaction, which listing will be conditional on the satisfaction of certain standard conditions.

The REIT

The Units are currently listed on the TSX under the symbol "REF.UN". Following the completion of the Transaction, the Units are expected to be de-listed from the TSX.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the REIT, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to a Unitholder who:

(a) disposes of a particular Unit to the REIT in exchange for Cash Consideration (the "**Cash Redemption**"),

(b) disposes of a particular Unit to the REIT in exchange for Choice Properties Units pursuant to the QE Redemption; or

(c) is a Dissenting Unitholder.

This summary applies only to such a Unitholder who, at all relevant times, for purposes of the Tax Act, (a) deals at arm's length with the REIT, Choice Properties and their respective affiliates, and is not affiliated with the REIT, Choice Properties or any of their respective affiliates; (b) holds Units as capital property; and (c) will hold Choice Properties Units, if any, received in exchange for Units as capital property. Generally, Units and Choice Properties Units will be considered to be capital property to a Unitholder provided that the holder does not hold the units in the course of carrying on a business of trading or dealing in securities and has not acquired the units in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not address the consequences to any holders of securities of the REIT participating in the Plan of Arrangement, other than Units. Moreover, this summary does not address all tax consequences of participating in the Plan of Arrangement to Unitholders who acquired their Units on a conversion, exercise, exchange or otherwise in connection with a security convertible into Units. Such holders should consult their own tax advisors.

This summary is based upon the current provisions of the Tax Act and counsel's understanding of the current administrative policies and assessing practices of the CRA made publicly available prior to the date of this Circular. This summary also takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Circular

(the "**Tax Proposals**"). This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurances can be given that this will be the case. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or changes in the CRA's administrative policies or assessing practices, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations (including any transfer tax considerations), which may differ significantly from those discussed herein.

No advance income tax ruling has been sought or obtained from the tax authorities in respect of the Transaction.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Unitholder. This summary is not exhaustive of all Canadian federal income tax considerations. Consequently, Unitholders are urged to consult their own tax advisors to determine the particular tax effects to them of the Plan of Arrangement and any other consequences to them in connection with the Plan of Arrangement under Canadian federal, provincial, territorial or local tax laws and under foreign tax laws, having regard to their own particular circumstances.

Status of the REIT and Choice Properties

Each of the REIT and Choice Properties has represented in the Arrangement Agreement that it has qualified as a "mutual fund trust" and a "real estate investment trust" for purposes of the Tax Act throughout its taxation years ending on December 31, 2013 to December 31, 2017 and that it will qualify as a "mutual fund trust" and a "real estate investment trust" for purposes of the Tax Act as of the Effective Time and from January 1, 2018 to the Effective Time.

For purposes of this summary, it is assumed that each of the REIT and Choice Properties has, at all relevant times, qualified and is expected to continue to qualify as a "mutual fund trust" and a "real estate investment trust" for the purposes of the Tax Act. There can be no assurance that the REIT or Choice Properties has qualified as a real estate investment trust or a mutual fund trust at any time, or in the case of Choice Properties, that subsequent investments or activities will not result in it failing to qualify as a real estate investment trust or a mutual fund trust. If either of the REIT or Choice Properties were not to qualify as a "mutual fund trust" and a "real estate investment trust" at any particular time, the income tax considerations described below would, in some respects, be materially and possibly adversely different. Counsel expresses no opinion as to whether or not the REIT or Choice Properties qualified or will qualify at any time as a "mutual fund trust" or a "real estate investment trust" for the purpose of the Tax Act.

Currency

The Tax Act generally requires all taxpayers to compute their "Canadian tax results" (as defined in the Tax Act) in Canadian currency. Where an amount that is relevant in computing a taxpayer's Canadian tax results is expressed in a currency other than Canadian currency, such amount must generally be converted to Canadian currency using the rate of exchange quoted by the Bank of Canada for the day such amount first arose, or using such other rate of exchange as is acceptable to the Minister of National Revenue (Canada).

Taxation of the REIT

Pre-Closing REIT Asset Transfer

The Arrangement Agreement contemplates that, prior to the Effective Date, the REIT will transfer, pursuant to one or more purchase and sale agreements, certain property to REIT LP Subsidiary in consideration for the assumption of certain liabilities and the issuance of one or more promissory notes by REIT LP Subsidiary, and limited partnership units of REIT LP Subsidiary (the "**REIT Asset Transfer**"). The REIT will realize a capital gain (or capital loss) in respect of each property that is capital property to the REIT so transferred equal to the amount, if any, by which the proceeds of disposition to the REIT of each such

property, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the REIT of such property immediately before its disposition.

In addition, the REIT Asset Transfer may result in the realization by the REIT of ordinary income resulting from the recapture of capital cost allowance ("**CCA**") in respect of certain buildings and other depreciable properties disposed of by it ("**Recapture Income**"). The amount of the Recapture Income will generally be equal to the amount, if any, by which the lesser of (a) the proceeds of disposition reasonably allocated to such properties and (b) the "cost amount" of such properties for purposes of the Tax Act, exceeds the "undepreciated capital cost" for purposes of the Tax Act of the particular prescribed class that includes the properties disposed of. The REIT will not be entitled to claim any CCA in respect of properties disposed of in the REIT Asset Transfer in computing the REIT's income for the taxation year of the REIT that includes the REIT Asset Transfer. The REIT may also realize a terminal loss on the disposition of depreciable properties in the REIT Asset Transfer to the extent that the REIT disposes of all of its properties of a particular prescribed class and the proceeds of disposition received for the disposition of the properties of such class is less than the "undepreciated capital cost" of the particular class.

Provided an election under subsection 97(2) of the Tax Act is made by the REIT and REIT LP Subsidiary in the manner and within the time limits specified in the Tax Act in respect of the REIT Asset Transfer, the proceeds of disposition realized by the REIT in respect of the disposition of each such asset that is subject to the subsection 97(2) election will generally be equal to the amount elected to be the proceeds of disposition to the REIT and the cost to REIT LP Subsidiary in such election, subject to the specific limitations and constraints applicable to dispositions governed by that subsection under the Tax Act including with respect to depreciable properties. The REIT and Choice Properties have agreed that it is their mutual intention that no Recapture Income or other amounts treated as ordinary income for purposes of the Tax Act be realized by virtue of the REIT Asset Transfer, except to the extent of available losses and other deductions or attributes which may be used to shelter such income, having regard (a) to the non-availability of CCA in respect of properties disposed of in the REIT Asset Transfer as described above and (b) the realization of any Additional Income as described below. It is expected that the elected amounts under the subsection 97(2) election to be filed in respect of the REIT Asset Transfer will be consistent with such intention.

Any capital gains realized by the REIT as a consequence of the REIT Asset Transfer will be included in the Income Allocated on the Cash Redemptions and will be allocated to Unitholders who receive Cash Consideration, and Dissenting Unitholders entitled to receive fair value for their Dissenting Units, under the Plan of Arrangement as described below.

The Arrangement Agreement provides that the REIT may (or may cause its Subsidiaries to) undertake such further pre-closing reorganization transactions as may be agreed between the REIT and Choice Properties. Such transactions may include transfers of properties by one or more of the REIT's Subsidiary partnerships to a newly formed limited partnership for additional limited partnership interests in such limited partnership. Assuming the CRA Approval is received in respect of such Subsidiary partnerships as discussed below, any income or capital gains realized by such Subsidiary partnerships will be allocated to the REIT for its current taxation year. The mutual intention of the parties described above with respect to the REIT Asset Transfer applies equally to any income or gains realized as a consequence of any such further pre-closing reorganization transactions which are allocated to the REIT. Accordingly, the REIT is not expected to be liable for tax under Part I of the Tax Act in respect of income arising as a consequence of such transactions, nor is any of such income expected to be allocated by the REIT to Unitholders, as it is expected that any such amounts will be offset by available losses and other deductions or attributes. Any capital gains allocated to the REIT in respect of such transactions will be included in the Income Allocated on the Cash Redemptions and will be allocated to Unitholders who receive Cash Consideration, and Dissenting Unitholders entitled to receive fair value for their Dissenting Units under the Plan of Arrangement as described below.

Taxable Transactions Under the Plan of Arrangement

The U.S. Property Transactions and each of the Pre-QE REIT Transactions completed under the Plan of Arrangement may give rise to income or capital gains to the REIT for its taxation year that will end as a consequence of the QE Transactions. In particular, the REIT will be required to take into account in computing its income (a) any "foreign accrual property income" net of any "foreign accrual tax" (as each such term is defined in the Tax Act) arising in connection with the U.S. Property Transactions and the accrued interest on any interest-bearing loan receivables sold by the REIT to Choice Properties LP as part of the Pre-QE REIT Transactions (collectively, the "**Additional Income**"), and (b) any capital gain (or capital loss) in respect of each capital property transferred or disposed of by the REIT in connection with the U.S. Property Transactions or a Pre-QE REIT Transaction equal to the amount, if any, by which the proceeds of disposition to the REIT of such property, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the REIT of such property immediately before its disposition.

Based on the mutual intention of the REIT and Choice Properties with respect to the realization of Additional Income as set forth in the Arrangement Agreement, the REIT is not expected to be liable for tax under Part I of the Tax Act on the Additional Income arising in connection with the U.S. Property Transactions or the Pre-QE REIT Transactions, nor is any such income expected to be allocated to Unitholders, as it is expected that these amounts will be offset by available losses and other deductions or attributes. However, no assurances can be provided in this regard. Any net capital gains realized by the REIT as a consequence of the U.S. Property Transactions or the Pre-QE REIT Transactions are expected to be included in the Income Allocated on the Cash Redemptions and to be allocated to Unitholders who receive Cash Consideration, and Dissenting Unitholders entitled to receive fair value for their Dissenting Units, under the Plan of Arrangement as described below.

The adjusted cost base to the REIT of any non-unit consideration received by the REIT as consideration for the Pre-QE REIT Transactions will generally be equal to the fair market value of such non-unit consideration.

Dissenting Unitholders and Unitholders who elect or are deemed to elect to receive Cash Consideration in respect of a particular Unit will have allocated to them their *pro rata* portion of the taxable capital gains realized by the REIT on the REIT Asset Transfer, the U.S. Property Transactions and the Pre-QE REIT Transactions, or the REIT's "net taxable capital gains" within the meaning of subsection 104(21) of the Tax Act for the taxation year of the REIT that includes the REIT Asset Transfer and the Pre-QE REIT Transactions, if less.

Having regard to the mutual intention of the parties set out in the Arrangement Agreement as described above, no allocation or distribution of income or capital gains arising from such transactions is expected to be made in respect of those Units that are exchanged for Non-Cash Consideration in the QE Transactions.

QE Transactions – QE Transfer, QE Redemption and RU Redemption

Provided that the REIT and Choice Properties file the necessary election under section 132.2 of the Tax Act in the manner and time prescribed, the transfer by the REIT of the QE Transfer Assets to Choice Properties on the QE Transfer will be part of a "qualifying exchange" as defined in section 132.2 of the Tax Act. As a result of the qualifying exchange, the QE Transfer Assets will be transferred to Choice Properties for proceeds of disposition equal to the greater of the tax cost of such assets and the principal plus accrued interest of any debt assumed and any other consideration other than Choice Properties Units received on the transaction, except to the extent that the REIT and Choice Properties elect in such election for the REIT to recognize greater proceeds of disposition in respect of such disposition. The REIT and Choice Properties have agreed in the Arrangement Agreement that such election will be completed with a view to minimizing tax payable by the REIT and the Unitholders, and that it is intended that gain on the transfer of the QE Transfer Assets will be realized only to the extent of available losses or other deductions available to shelter such gain. Provided the election under section 132.2 of the Tax Act is timely filed and prepared in a manner

consistent with such agreement, there should be no net taxable income to the REIT as a consequence of the transfer of the QE Transfer Assets to Choice Properties on the QE Transfer.

The REIT will not realize a gain or loss on the transfer of Choice Properties Units to Unitholders on the QE Redemption or the RU Redemption.

Computation of Income and Taxable Capital Gains of the REIT

The current taxation year of the REIT will be deemed to end on the Effective Date following the transfer of the QE Transfer Assets to Choice Properties as part of the QE Transactions, giving rise to a short taxation year for the REIT.

If, based on *bona fide* best estimates, the REIT determines that its undistributed taxable income for this short taxation year (without regard to Income Allocated on the Cash Redemptions), after application of any non-capital loss carry forwards and other available deductions or attributes, exceeds prior distributions made to Unitholders in that period, the REIT will pay a special distribution to Unitholders to ensure that the REIT will not be liable for tax under Part I of the Tax Act for this short taxation year (the "**Special Distribution**").

The REIT and Choice Properties are seeking approval of the CRA (the "**CRA Approval**") to change the fiscal period and taxation year end of certain Subsidiaries in order to ensure, to the extent possible, that substantially all of the income and net taxable capital gains earned by such Subsidiaries up to and including the Effective Date will be allocated to Unitholders in the current taxation year of the REIT, as part of the Income Allocated on the Cash Redemptions, as applicable. This summary assumes that the CRA Approval will be obtained, but no assurance can be given in this regard.

Residents of Canada

This portion of the summary applies to a Unitholder (including a Unitholder that becomes a Choice Properties Unitholder, as applicable) who, at all relevant times, for purposes of the Tax Act and any applicable income tax convention is, or is deemed to be, resident in Canada (a "**Resident Holder**"). A Resident Holder whose Units (or any Choice Properties Units received in exchange for such Units under the Plan of Arrangement) might not otherwise qualify as capital property may be entitled to have them treated as capital property by making an irrevocable election under subsection 39(4) of the Tax Act to deem all "Canadian securities" (as defined in the Tax Act) owned by such Resident Holder in the taxation year to which the election applies and any subsequent taxation year to be capital properties. Unitholders who do not hold their Units as capital property or who will not hold their Choice Properties Units as capital property should consult their own tax advisors regarding their particular circumstances.

This portion of the summary does not apply to a Unitholder: (a) that is a "financial institution" for purposes of the mark-to-market rules; (b) that is a "specified financial institution"; (c) an interest in which is a "tax shelter investment", (d) that has elected to determine its "Canadian tax results" in a currency other than Canadian dollars, (e) that has entered into or will enter into a "derivative forward agreement" in respect of Units or Choice Properties Units, as each such term is defined in the Tax Act; or (f) that, at any relevant time, holds Units acquired upon the exercise of rights to acquire such Units in respect of, in the course of, or by virtue of employment with the REIT or any corporation or mutual fund trust not dealing at arm's length for purposes of the Tax Act with the REIT. Such holders should consult their own tax advisors regarding their particular circumstances. In addition, this summary does not address the deductibility of interest expense incurred by a Unitholder in connection with debt incurred in connection with the acquisition or holding of Units or Choice Properties Units.

Disposition of Units Prior to the Effective Date

Resident Holders who dispose of Units on the TSX with a settlement date prior to the Effective Date will not receive any distributions or other payments under the Plan of Arrangement (including the Special Distribution) and are not expected to be allocated any income from the REIT in respect thereof (including

Income Allocated on the Cash Redemptions). Such Resident Holders should consult their own tax and investment advisors.

A disposition of a Unit on the TSX will generally result in a capital gain (or a capital loss) to a Resident Holder equal to the amount, if any, by which the proceeds of disposition of the Unit, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Unit to the Resident Holder immediately prior to the disposition. The treatment of capital gains and capital losses is generally described below under *"Taxation of Capital Gains and Losses"*.

Special Distribution and Pre-Effective Date Distributions

The tax treatment to Resident Holders of the Special Distribution and any distributions made by the REIT on or after January 1, 2018 and prior to the Effective Time ("**Pre-Effective Date Distributions**"), will be determined in a manner similar to the tax treatment that applies to other distributions that have been paid or payable by the REIT to Resident Holders. Since the current taxation year of the REIT will be deemed to end on the Effective Date following the transfer of the QE Transfer Assets to Choice Properties, Unitholders with taxation years ending after the Effective Date but before December 31, 2018 may be required to report income from the REIT earlier than they would otherwise have been required.

As stated above, the REIT will not be entitled to claim any CCA in respect of properties disposed of on the REIT Asset Transfer in computing income for the taxation year of the REIT that ends on the Effective Date. It is expected that REIT LP Subsidiary will be entitled to claim CCA in respect of the properties it acquires in the REIT Asset Transfer, but the amount of such CCA is expected to be materially less than the amount of CCA which could have been claimed by the REIT in respect of such properties if it had not disposed of them in the REIT Asset Transfer. This could affect the REIT's income for its taxation year ending on the Effective Date and, accordingly, the nature of distributions that have been paid or made payable by the REIT in its current taxation year. Management has advised that the difference between the CCA which can be claimed by REIT LP Subsidiary and the CCA which could have been claimed by the REIT in respect of the properties transferred to REIT LP Subsidiary in the REIT Asset Transfer is not expected to result in a material change to the nature of distributions that have been paid or made payable by the REIT in its current taxation year; however, no assurances can be provided in this regard. **Resident Holders should consult their own tax advisors regarding the characterization of the Special Distribution and any Pre-Effective Date Distributions**.

Dissenting Unitholders

A Resident Holder who is a Dissenting Unitholder and who is entitled to be paid fair value of the holder's Dissenting Units will be considered to have disposed of such holder's Dissenting Units to the REIT in exchange for a right to be paid the fair value of such Dissenting Units, as determined in accordance with Plan of Arrangement. The disposition will result in a capital gain (or a capital loss) to such Resident Holder equal to the amount, if any, by which the proceeds of disposition of the Dissenting Units, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Dissenting Units to such Resident Holder immediately prior to the disposition. For this purpose, proceeds of disposition will not include an amount made payable by the REIT to such Resident Holder that is (a) otherwise required to be included in the holder's income, including any Income Allocated on the Cash Redemptions and any interest, or (b) the non-taxable portion of any capital gains arising from the REIT Asset Transfer, the U.S. Property Transactions and the Pre-QE REIT Transactions.

A Resident Holder who is a Dissenting Unitholder and who is entitled to be paid fair value of the holder's Dissenting Units will generally be required to include in income for its taxation year in which the current taxation year of the REIT ends, the portion of Income Allocated on the Cash Redemptions that is allocated and paid to such holder. Provided that appropriate designations are made by the REIT, that portion of the REIT's net taxable capital gains that is paid to such a Resident Holder will effectively retain its character and be taxed as such in the hands of such holder for purposes of the Tax Act. The non-taxable portion of any net capital gains of the REIT that is paid to such a Resident Holder will not be included in computing the holder's income for the year.

As described above, a Resident Holder who is a Dissenting Unitholder and who for any reason is not entitled to be paid the fair value of the holder's Dissenting Units shall in respect of such Dissenting Units be treated as having participated in the Transaction as if such Dissenting Unitholder had not dissented and had elected to receive Cash Consideration for such Dissenting Units. The treatment of such holder's Dissenting Units in respect of which the holder is treated as having elected to receive Cash Consideration is generally described below under "*Cash Redemption – Redemption of a Unit for Cash Consideration*". The treatment of such holder's Dissenting Units in respect of which the holder is treated as having elected to receive Non-Cash Consideration is generally described below under *"QE Redemption – Redemption of a Unit for Choice Property Units"*.

The treatment of capital gains and capital losses is generally described below under *"Taxation of Capital Gains and Losses"*.

Cash Redemption – Redemption of a Unit for Cash Consideration

The disposition of a particular Unit by a Resident Holder pursuant to the Cash Redemption will generally result in a capital gain (or a capital loss) to the Resident Holder equal to the amount, if any, by which the proceeds of disposition of the Unit, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Unit to the Resident Holder immediately prior to the Cash Redemption (which adjusted cost base will take into account any reductions resulting from the Special Distribution).

The proceeds of disposition of the Unit will generally be equal to the amount of the Cash Consideration received by the Resident Holder in exchange therefor, less any amount paid by the REIT to the Resident Holder that is (a) otherwise required to be included in the Resident Holder's income, including Income Allocated on the Cash Redemptions, or (b) the non-taxable portion of capital gains arising from the REIT Asset Transfer, the U.S. Property Transactions and the Pre-QE REIT Transactions.

A Resident Holder who receives Cash Consideration for Units will generally be required to include in income for its taxation year in which the current taxation year of the REIT ends, the portion of Income Allocated on the Cash Redemptions that is allocated and paid to such holder. Provided that appropriate designations are made by the REIT, that portion of the REIT's net taxable capital gains that is paid to such a Resident Holder will effectively retain its character and be taxed as such in the hands of such holder for purposes of the Tax Act. The non-taxable portion of any net capital gains of the REIT that is paid to such a Resident Holder will not be included in computing the holder's income for the year.

The treatment of capital gains and capital losses is generally described below under *"Taxation of Capital Gains and Losses"*.

QE Redemption – Redemption of a Unit for Choice Properties Units

Provided that the REIT and Choice Properties file the required election under section 132.2 of the Tax Act in the manner and time prescribed, the redemption of a particular Unit of a Resident Holder in exchange for the delivery by the REIT of Choice Properties Units on the QE Redemption will be part of a "qualifying exchange" as defined in section 132.2 of the Tax Act. Accordingly, on the disposition by a Resident Holder of such a Unit to the REIT in exchange for Choice Properties Units, the Resident Holder's proceeds of disposition for the Unit disposed of, and the cost to the Resident Holder of the Choice Properties Units received in exchange therefor, will be deemed to be equal to the adjusted cost base to the Resident Holder of such Unit immediately prior to the QE Redemption (which adjusted cost base will take into account any reductions resulting from the Special Distribution, if any). For the purpose of determining the adjusted cost base of the Choice Properties Units acquired by a Resident Holder on the QE Redemption, the cost of such Choice Properties Units will be averaged with the adjusted cost base of all other Choice Properties Units held as capital property by the Resident Holder immediately before the acquisition.

Having regard to the intentions of the parties as described above, Resident Holders who elect or are deemed to elect to receive Non-Cash Consideration in exchange for a particular Unit should generally not realize any income or capital gain as a result of the exchange of Units for Choice Properties Units on the QE Redemption.

Holding and Disposing of Choice Properties Units Received Pursuant to the Plan of Arrangement

Subsequent to the exchange of certain Units for Choice Properties Units pursuant to the QE Redemption, former Unitholders who elected (or were deemed to have elected) to receive Non-Cash Consideration will own Choice Properties Units. The following sections summarize the Canadian federal income tax considerations under the Tax Act generally applicable to the holding and disposing of such units.

Qualification of Choice Properties as a ''Real Estate Investment Trust''

The Tax Act imposes a special taxation regime (the "**SIFT Rules**") applicable to certain publicly traded income trusts and partnerships (each a "**SIFT**"). Under the SIFT Rules, a SIFT is subject to tax in respect of certain distributions that are attributable to the SIFT's "non-portfolio earnings" (as defined in the Tax Act; generally, income (other than certain dividends) from, or capital gains realized on, "non-portfolio properties", which does not include certain investments in non-Canadian entities) at a rate substantially equivalent to the combined federal and provincial corporate tax rate on certain types of income.

Choice Properties will be a SIFT for purposes of the SIFT Rules in a particular taxation year unless it meets certain specified criteria relating to the nature of its revenues and investments so as to qualify as a "real estate investment trust" under the Tax Act for such year (the "**REIT Exception**"). As discussed above, Choice Properties has represented in the Arrangement Agreement that it will qualify as a "real estate investment trust" for purposes of the Tax Act as of the Effective Time and from January 1, 2018 to the Effective Time (and hence will have complied with the REIT Exception throughout such period), and this summary assumes that Choice Properties has qualified and will continue to qualify for the REIT Exception at all relevant times.

Choice Properties has investments in certain lower tier entities such as partnerships. In certain circumstances, it is possible that such lower tier entities could themselves be subject to the SIFT Rules; however, a lower tier entity will not be subject to the SIFT Rules if it is an "excluded subsidiary entity", as defined for purposes of the SIFT Rules. Choice Properties has represented in the Arrangement Agreement that each partnership and trust in which Choice Properties has a direct or indirect interest is an "excluded subsidiary entity". This summary assumes that each such lower tier entity is and will remain an "excluded subsidiary entity" for these purposes; however, there can be no assurances in this regard.

Taxation of Choice Properties

With the exception of the short taxation year of Choice Properties resulting from the QE Transactions, the taxation year of Choice Properties is the calendar year. In each taxation year, Choice Properties will generally be subject to tax under Part I of the Tax Act on any taxable income of Choice Properties (including net realized taxable capital gains from dispositions of property and Choice Properties' allocated share of the income from its underlying partnerships for the fiscal period of such underlying partnerships ending in, or coincident with the year-end of Choice Properties), less the portion thereof that it deducts in respect of the amounts paid or payable, or deemed to be paid or payable, in the year to Choice Properties Unitholders. An amount will be considered to be payable to a Choice Properties Unitholder in a taxation year if the unitholder is entitled in that year to enforce payment of the amount.

In computing its income, Choice Properties may generally deduct reasonable administrative costs and other reasonable expenses incurred by it for the purpose of earning income, as well as a portion of any reasonable expenses incurred by Choice Properties to issue units or debentures, subject to the relevant provisions of the Tax Act. Losses incurred by Choice Properties cannot be allocated to Choice Properties

Unitholders, but may generally be deducted by Choice Properties in future years in computing its taxable income, subject to and in accordance with the provisions of the Tax Act.

Choice Properties will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on the redemption of Choice Properties Units during the year (the "**Capital Gains Refund**"). In certain circumstances, the Capital Gains Refund in a particular taxation year may not completely offset Choice Properties' tax liability for such taxation year.

The Choice Properties Declaration of Trust generally requires Choice Properties to distribute to its unitholders, in cash or in Choice Properties Units, in each year its net income and net realized capital gains to such an extent that Choice Properties will not be liable in any year for income tax under Part I of the Tax Act, after taking into account any Capital Gains Refund to which Choice Properties is entitled for such year. Income of Choice Properties payable to its unitholders, whether in cash, additional Choice Properties Units or otherwise, will generally be deductible by Choice Properties in computing its taxable income.

Taxation of Choice Properties LP and Other Subsidiary Partnerships of Choice Properties

This portion of the summary relates to Choice Properties LP. Provided all of the equity of Choice Properties LP is held by a "real estate investment trust", a "taxable Canadian corporation" and/or an "excluded subsidiary entity" (as each such term is defined in the Tax Act) throughout a relevant taxation year and none of the equity of Choice Properties LP is listed or traded on a stock exchange or other public market at any time in such taxation year, then Choice Properties LP will be an "excluded subsidiary entity" and will not be subject to the SIFT Rules in such taxation year. As described above, this summary assumes that Choice Properties LP, on the basis of the above criteria, is currently, and is expected to be at all relevant times, and is assumed to be at all relevant times, an "excluded subsidiary entity" such that Choice Properties LP will not be subject to the SIFT Rules in its current fiscal year or, as expected, in any subsequent fiscal year.

As a partnership that is not subject to the SIFT Rules, Choice Properties LP is not subject to tax under the Tax Act. Each partner of Choice Properties LP, including Choice Properties, will be required to include in computing the partner's income the partner's share of the income or loss of Choice Properties LP for its fiscal period ending in or coincident with the partner's taxation year, whether or not any such income is distributed to the partner in the taxation year. For this purpose, the income or loss of Choice Properties LP will be computed for each fiscal year as if Choice Properties LP were a separate person resident in Canada. In computing the income or loss of Choice Properties LP, deductions will be claimed in respect of its reasonable administrative and other expenses incurred for the purpose of earning income and such portion as it chooses to claim in respect of available capital cost allowances. The income (including taxable capital gains) or loss of Choice Properties LP for a fiscal year will be allocated to partners of Choice Properties LP, including Choice Properties, on the basis of their respective shares of such income or loss, subject to the detailed rules in the Tax Act in that regard.

The foregoing discussion also generally applies to any subsidiary partnerships of Choice Properties LP, including those partnerships to be acquired by Choice Properties from the REIT under the Plan of Arrangement.

Distributions – Choice Properties Unitholders

A Resident Holder will generally be required to include in income for a particular taxation year the portion of the net income of Choice Properties for the taxation year of Choice Properties ending at or before the end of the taxation year of the Resident Holder, including net realized taxable capital gains, that is paid or payable to the Resident Holder in the particular taxation year, whether that amount is paid in cash, additional Choice Properties Units or otherwise. Provided that appropriate designations are made by Choice Properties, that portion of the: (a) taxable dividends received by it from taxable Canadian corporations; (b) net realized taxable capital gains; and (c) income of Choice Properties from a source in a country other than Canada ("**Foreign Source Income**"), as is paid or payable to a Resident Holder will effectively retain their respective characters and be treated as taxable dividends, taxable capital gains or Foreign Source Income, as the case

may be, in the hands of the Resident Holder for purposes of the Tax Act. To the extent that Foreign Source Income is designated as having been paid or payable to a Resident Holder, such Resident Holder will generally be deemed to have paid its *pro rata* share of any foreign tax considered to have been paid by Choice Properties in respect of the particular source for the relevant taxation year, and may be entitled to claim a foreign tax credit or foreign tax deduction in respect of such foreign taxes, subject to the detailed rules in respect of foreign tax credits and deductions in the Tax Act.

The non-taxable portion of any net realized taxable capital gains of Choice Properties that is paid or payable to a Resident Holder in a taxation year will not be included in computing the Resident Holder's income for the year. Any other amount in excess of the net income and net taxable capital gains of Choice Properties that is paid or payable to a Resident Holder in that year will generally not be included in the Resident Holder's income for the year. However, where such an amount is paid or payable to a Resident Holder (other than as proceeds in respect of the redemption of Choice Properties Units), the Resident Holder will be required to reduce the adjusted cost base of the Choice Properties Units by that amount. Where reductions to a Resident Holder's adjusted cost base of Choice Properties Units for a year would result in the adjusted cost base becoming a negative amount, such amount will be treated as a capital gain realized by the Resident Holder in that year and the Resident Holder's adjusted cost base of the Choice Properties Units will then be reset to nil.

The cost to a Resident Holder of additional Choice Properties Units received in lieu of a cash distribution of income will be the amount of income distributed by the issue of those Choice Properties Units. For the purpose of determining the adjusted cost base to a Resident Holder, when a Choice Properties Unit is acquired, the cost of the newly-acquired Choice Properties Unit will be averaged with the adjusted cost base of all of the Choice Properties Units owned by the Resident Holder as capital property immediately before that acquisition.

Dispositions of Choice Properties Units

On the disposition or deemed disposition of a Choice Properties Unit, whether on a redemption or otherwise, the Resident Holder will realize a capital gain (or capital loss) equal to the amount by which the Resident Holder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of the Choice Properties Unit and any reasonable costs of disposition. Proceeds of disposition will not include any amount that is otherwise required to be included in the Resident Holder's income such as amounts treated as having been paid to the Resident Holder out of income or capital gains of Choice Properties.

Where the redemption proceeds of Choice Properties Units are paid by the distribution of securities and/or obligations of Choice Properties to the redeeming Resident Holder, the proceeds of disposition to the Resident Holder of the Choice Properties Units will be equal to the fair market value of the securities so distributed. The cost of any security and/or obligation distributed by Choice Properties to a Resident Holder upon a redemption of Choice Properties Units will be equal to the fair market value of that security and/or obligation at the time of the transfer less, in the case of a debt security, all accrued interest on the debt security. The Resident Holder will thereafter be required to include in income interest on any debt security so acquired in accordance with the provisions of the Tax Act. To the extent that the Resident Holder is thereafter required to include in income any interest accrued to the date of the acquisition of a debt security by the Resident Holder, an offsetting deduction will generally be available.

Taxation of Capital Gains and Losses

One-half of any capital gain realized by a Resident Holder on the disposition of a Unit or Choice Properties Unit (and the amount of any net taxable capital gains designated by the REIT in respect of a Unitholder, or by Choice Properties in respect of a Choice Properties Unitholder, that is a Resident Holder) will be required to be included by the Resident Holder in computing income as a taxable capital gain under the Tax Act and, subject to the detailed rules in the Tax Act, one-half of any capital loss sustained on a disposition of a Unit or Choice Properties Unit may generally be deducted only from taxable capital gains of the Resident Holder in the year of disposition, in the three preceding taxation years or in any subsequent taxation year, to the extent and under the circumstances described in the Tax Act.

Eligibility for Investment

If issued on the date of this Circular, Choice Properties Units would be, on such date, qualified investments for Registered Plans provided that, on such date, Choice Properties qualifies as a mutual fund trust under the Tax Act or the Choice Properties Units are listed on the TSX.

In the case of an RRSP, a RRIF, a TFSA, an RESP or an RDSP, provided the annuitant, holder or subscriber thereof deals at arm's length with Choice Properties (within the meaning of the Tax Act) and does not have a "significant interest" in Choice Properties (as defined in the Tax Act), the Choice Properties Units will not be a prohibited investment under the Tax Act for such RRSP, RRIF, TFSA, RESP or RDSP. Holders of a TFSA or RDSP, annuitants of an RRSP or RRIF, and subscribers of a RESP, should consult their own tax advisors with regard to the application of these rules in their particular circumstances.

Upon a redemption of Choice Properties Units or termination of Choice Properties, the trustees of Choice Properties may distribute securities and/or obligations of Choice Properties or securities held by Choice Properties directly to the Choice Properties Unitholders, subject to obtaining any required regulatory approvals. Such securities and/or obligations so distributed may not be qualified investments for Registered Plans (depending upon the circumstances at the time), which would give rise to adverse consequences to the Registered Plan or the holder, annuitant or beneficiary thereunder if the Registered Plan acquires such securities and/or obligations. Accordingly, Registered Plans that owns Choice Properties Units should consult their own tax advisor before deciding to exercise the redemption rights attached to the Choice Properties Units.

Non-Residents of Canada

This portion of the summary applies only to a Unitholder who, at all relevant times, for purposes of the Tax Act and any applicable income tax convention, (a) is neither resident nor deemed to be resident in Canada, (b) does not use or hold Units or Choice Properties Units in a business carried on in Canada, and (c) is not a non-resident insurer (a "**Non-Resident Holder**").

Special Distribution and Pre-Effective Date Distributions

The tax treatment to Non-Resident Holders of the Special Distribution and Pre-Effective Date Distributions, if any, will be determined in a manner similar to that applicable to other distributions that have been paid or payable by the REIT to Non-Resident Holders. The Special Distribution, if any, paid by the REIT under the Plan of Arrangement will generally be subject to Canadian non-resident withholding tax under Part XIII of the Tax Act at a rate of 25%, subject to reduction under an applicable treaty.

Cash Redemption and Dissent – Distribution Paid on Redemption of a Unit for Cash Consideration and to Dissenting Unitholders

A Non-Resident Holder who disposes of a Unit to the REIT for Cash Consideration or who is a Dissenting Unitholder and who is entitled to be paid fair value of the holder's Dissenting Units will be subject to Canadian non-resident withholding tax under Part XIII of the Tax Act at a rate of 25% on the portion of the REIT's income (excluding taxable capital gains designated by the REIT in respect of the Non-Resident Holder) arising from the REIT Asset Transfer, the U.S. Property Transactions and the Pre-QE REIT Transactions that is paid or credited, or deemed to be paid or credited, in respect of such unit to the Non-Resident Holder in connection with the Cash Redemption or disposition of the Dissenting Unit, as applicable. Since only taxable capital gains are intended to be allocated to Unitholders receiving Cash Consideration on the Cash Redemption and Dissenting Unitholders, no income (other than taxable capital gains) is expected in this regard.

To the extent the REIT designates an amount paid or credited, or deemed to be paid or credited, to a Non-Resident Holder as a taxable capital gain of such Non-Resident Holder, one-half of the lesser of (a) twice the amount so designated in respect of such Non-Resident Holder and (b) such Non-Resident Holder's *pro rata* portion of the REIT's "**TCP Gains Balance**" (within the meaning of the Tax Act) for the taxation year will

be subject to Canadian non-resident withholding tax at the rate of 25% if more than 5% of the amounts so designated by the REIT for the taxation year ending on the Effective Date are designated in respect of unitholders that are either "non-resident persons" or partnerships which are not "Canadian partnerships" (as each such term is defined in the Tax Act). A trust's TCP Gains Balance generally includes all capital gains (less all capital losses) realized by the trust from the disposition of taxable Canadian property (within the meaning of the Tax Act, "**TCP**"), less amounts deemed to be TCP gains distributions in previous taxation years.

The 25% rate of withholding tax under Part XIII of the Tax Act is subject to reduction pursuant to the provisions of an applicable income tax convention. For example, the reduced rate under the Canada-U.S. Tax Convention is generally 15%. **Non-Resident Holders should consult their own tax advisors for advice having regard to their particular circumstances, including whether an income tax convention applies**.

In addition, a Non-Resident Holder will generally be subject to Canadian withholding tax under Part XIII.2 of the Tax Act at a rate of 15% (the "**Mutual Fund Withholding Tax**") on any distribution in respect of a unit of a "mutual fund trust" that is a "Canadian property mutual fund investment" (as each such term is defined in the Tax Act) that is not otherwise subject to Canadian income tax under Part I of the Tax Act or Canadian withholding tax under Part XIII of the Tax Act. A Unit will be a "Canadian property mutual fund investment" to a Non-Resident Holder. Assuming that the Unit is not TCP to the Non-Resident Holder, as described below, and the Non-Resident Holder is therefore not subject to Part I tax on the disposition of such Unit on the Cash Redemption or disposition of the Dissenting Unit, the Non-Resident Holder will be subject to the Mutual Fund Withholding Tax on the amount by which the payment made to the Non-Resident Holder in connection with the Cash Redemption or disposition of the Dissenting Unit, as applicable, exceeds the aggregate of the Non-Resident Holder's share of the income and capital gains arising from the REIT Asset Transfer, the U.S. Property Transactions and the Pre-QE REIT Transactions which are subject to Canadian withholding tax under Part XIII of the Tax Act as described above.

In effect, the entire amount paid to a Non-Resident Holder on the redemption of a particular Unit pursuant to the Cash Redemption or the disposition of a Dissenting Unit, as applicable, will generally be subject to Canadian withholding tax. However, a Non-Resident Holder may be able to obtain a refund in respect of its Mutual Fund Withholding Tax payable to the extent that the Non-Resident Holder has "Canadian property mutual fund losses" (within the meaning of the Tax Act), which generally would include any losses realized by the Non-Resident Holder on the disposition of its Unit on the Cash Redemption or disposition of the Dissenting Unit, as applicable. A Non-Resident Holder must file a Canadian federal return of income in prescribed form within the prescribed time in order to obtain such a refund.

Non-Resident Holders should consult their own tax advisors with respect to the tax consequences of a disposition of a Unit upon the Cash Redemption or disposing of a Dissenting Unit.

Non-Resident Holders should consider disposing of their Units on the TSX with a settlement date that is prior to the Effective Date and should consult their own tax and investment advisors with regard to this decision.

QE Redemption – Receipt of Choice Properties Units

Provided that the REIT and Choice Properties file the necessary election under section 132.2 of the Tax Act in the manner and time prescribed, Part XIII tax and the Mutual Fund Withholding Tax will not apply in respect of the receipt of Choice Properties Units on the QE Redemption.

Distributions on Choice Properties Units Received as Consideration for the QE Redemption

A Non-Resident Holder of Choice Properties Units will be subject to Canadian withholding tax under Part XIII of the Tax Act at the rate of 25% on the portion of Choice Properties' income (excluding taxable capital gains designated by Choice Properties in respect of the Non-Resident Holder) paid or credited, or deemed to be

paid or credited, in respect of such units to the Non-Resident Holder, whether such distributions are paid in cash or *in specie*.

To the extent Choice Properties designates an amount paid or credited, or deemed to be paid or credited, to the Non-Resident Holder as a taxable capital gain of such Non-Resident Holder, one-half of the lesser of twice the amount so designated in respect of such Non-Resident Holder and such Non-Resident Holder's *pro rata* portion of Choice Properties' TCP Gains Balance (as described above) for the taxation year will be subject to Canadian non-resident withholding tax at the rate of 25% if more than 5% of the amounts so designated by Choice Properties for the taxation year are designated in respect of unitholders that are either "non-resident persons" or partnerships which are not "Canadian partnerships" (as each such term is defined in the Tax Act).

The 25% rate of withholding tax under Part XIII of the Tax Act is subject to reduction pursuant to the provisions of an applicable income tax convention (as described above).

The Mutual Fund Withholding Tax will generally apply in respect of distributions paid or credited to a Non-Resident Holder from Choice Properties that are otherwise not subject to tax under Part I or Part XIII of the Tax Act. However, a Non-Resident Holder may be entitled to file a special Canadian tax return to claim a refund of all or a portion of such tax if the Non-Resident Holder has Canadian property mutual fund losses (as described above).

Dispositions of Units and Choice Properties Units

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on the disposition (or deemed disposition) of Units (including a disposition of Units on the TSX with a settlement date that is prior to the Effective Date) or Choice Properties Units unless the Units or Choice Properties Units, as the case may be, are TCP of the Non-Resident Holder for purposes of the Tax Act and are not "treaty-protected property" of the Non-Resident Holder for purposes of the Tax Act.

Generally, a Unit or Choice Properties Unit, as applicable, will not constitute TCP to a Non-Resident Holder at the time of disposition provided that the Non-Resident Holder (alone, in combination with persons with whom the Non-Resident Holder does not deal at arm's length, and/or partnerships in which the holder such persons hold an interest, directly or through one or more partnerships) has not owned 25% or more of the units of the REIT or Choice Properties, as applicable, at any particular time during the 60-month period that ends at that time. For this purpose, any option or right to acquire Units or Choice Properties Units, as applicable, is treated as if it had been exercised.

Even if the Units or Choice Properties Units, as the case may be, are TCP to the Non-Resident Holder, a taxable capital gain resulting from the disposition of such units will not be included in the Non-Resident Holder's taxable income earned in Canada for the purposes of the Tax Act if, at the time of disposition, the Units or Choice Properties Units, as applicable, constitute "treaty- protected property" of the Non-Resident Holder for purposes of the Tax Act. Units and Choice Properties Units will generally be considered treaty-protected property of a Non-Resident Holder for purposes of the Tax Act at the time of disposition if the gain from their disposition would, because of an applicable income tax treaty between Canada and the country in which the Non-Resident Holder is resident for purposes of such treaty, be exempt from tax under the Tax Act.

Non-Resident Holders whose Units or Choice Properties Units, as the case may be, are TCP should consult their own tax advisors for advice having regard to their particular circumstances, including whether their units constitute treaty-protected property.

Non-Resident Holders who dispose of Units on the TSX with a settlement date that is prior to the Effective Date should consult their own tax and investment advisors.

A unit of a mutual fund trust is "excluded property" for purposes of section 116 of the Tax Act. Accordingly, the compliance and withholding regime under section 116 of the Tax Act will not apply to a disposition of Units or Choice Properties Units.

General

Canadian non-resident withholding tax imposed under the Tax Act payable by Non-Resident Holders will be withheld and remitted to the CRA on behalf of such Non-Resident Holders.

Non-Resident Holders should consult their own tax advisors with regard to the application of applicable income tax conventions and the availability of any applicable foreign tax credits, exemptions or refunds in respect of any Canadian withholding taxes.

OTHER TAX CONSIDERATIONS

This Circular does not address any tax considerations of the Transaction other than certain Canadian federal income tax considerations. Unitholders who are resident or otherwise taxable in jurisdictions other than Canada should consult their own tax advisors with respect to the tax implications of the Transaction, including any associated filing requirements, in such jurisdictions and with respect to the tax implications in such jurisdictions of owning Choice Properties Units or any other units of Choice Properties upon completion of the Transaction.

Unitholders should also consult their own tax advisors regarding provincial, state or territorial tax considerations of the Transaction or of holding Choice Properties Units or any other units of Choice Properties upon completion of the Transaction.

INFORMATION CONCERNING THE REIT

Appendix "F" to this Circular sets forth additional information concerning the REIT.

INFORMATION CONCERNING CHOICE PROPERTIES

Appendix "G" to this Circular sets forth additional information concerning Choice Properties.

INFORMATION CONCERNING CHOICE PROPERTIES POST-TRANSACTION

Appendix "H" to this Circular sets forth additional information concerning Choice Properties upon completion of the Transaction.

RISK FACTORS

Unitholders should carefully consider all of the information disclosed or incorporated by reference in this Circular prior to voting on the matters being put before them at the Meeting. The consideration provided in the Transaction includes Choice Properties Units. Accordingly, a Unitholder who elects to receive Non-Cash Consideration or who will receive Non-Cash Consideration as a result of proration will become a unitholder of Choice Properties. As a result, such Unitholder will be subject to all of the risks associated with the operations of Choice Properties and Choice Properties' Subsidiaries and the industry in which such entities operate. Those risks include the risk factors described in the Choice Properties AIF and the Choice Properties Annual MD&A, both of which are incorporated by reference herein, and the risk factors described under the heading "Risk Factors" in Appendix "G" to this Circular. The following risk factors are not a definitive list of all risk factors associated with the Transaction. Additional risks and uncertainties, including those currently unknown or considered immaterial by the REIT, may also adversely affect the completion of the Transaction and/or the value of the Choice Properties Units, including the risk factors described under the heading "Risk Factors" in Appendix "F" to this Circular.

Risks Related to the Transaction

The Actual Consideration Received by Any Unitholder Will Depend on Proration

Pursuant to the Transaction, Unitholders will have the ability to choose for each Unit held whether to receive $53.75 in cash or 4.2835 Choice Properties Units, subject to proration. The maximum amount of cash, which will be funded by Choice Properties, payable to Unitholders by the REIT on the Cash Redemption will be $1,651,532,198. In addition, the REIT expects that approximately 183 million Choice Properties Units will be delivered by the REIT to Unitholders, based on the fully diluted number of Units outstanding as of the date of the Arrangement Agreement. Consequently, a depositing Unitholder that elects the Non-Cash Consideration in respect of all of its Units may receive a portion of the Consideration for its deposited Units in cash and a depositing Unitholder that elects the Cash Consideration in respect of all of its Units may receive a portion of the Consideration for its deposited Units in Choice Properties Units.

Registered Unitholders who do not make a valid Election prior to the Election Deadline (or, in the case of Beneficial Unitholders, Beneficial Unitholders who fail to provide valid election instructions to their broker, investment dealer or other intermediary) will be deemed to have elected to receive Cash Consideration only (except for holders of Restricted Units, in respect of such Restricted Units).

The Exchange Ratio is Fixed and Will Not Reflect any Change in the Market Value of Choice Properties Units

Under the Transaction, Unitholders may elect to receive 4.2835 Choice Properties Units for each Unit held, subject to proration. This number of Choice Properties Units per Unit is fixed and will not be adjusted to reflect any change in the market value of Choice Properties Units that may occur prior to the Effective Date. The market value of Choice Properties Units may vary significantly from the market value at the dates referenced in this Circular. For example, during the 12-month period ended on March 7, 2018, the trading price of Choice Properties Units on the TSX varied from a low of $11.59 to a high of $14.29 and closed on March 7, 2018 at $11.80. Variations may occur as a result of changes in, or market perceptions of changes in, the business, operations or prospects of Choice Properties, regulatory considerations, general market and economic conditions, and other factors over which the neither the REIT nor Choice Properties has any control.

The REIT Has Not Verified the Reliability of the Information Regarding Choice Properties Included in, or Which May Have Been Omitted from, this Circular

Unless otherwise indicated, all historical information regarding Choice Properties and its affiliates contained in this Circular, including all Choice Properties financial information, has been derived from Choice Properties' publicly disclosed information or information otherwise provided by Choice Properties. Although management of the REIT has no reason to doubt the accuracy or completeness of such information, any inaccuracy or material omission in Choice Properties' publicly disclosed information, including the information about or relating to Choice Properties contained in this Circular, could result in unanticipated liabilities or expenses, increase the cost of integrating the entities or adversely affect the operational and development plans and results of operations and financial condition of Choice Properties.

The Transaction is Subject to Satisfaction or Waiver of Several Conditions

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

will be able to find a party willing to pay consideration for the Units that is equivalent to, or more attractive than, the Consideration payable pursuant to the Transaction.

Occurrence of a Material Adverse Effect in Respect of the REIT or Choice Properties

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

Fees, Costs and Expenses of the Transaction

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

Market Price of the Units

If, for any reason, the Transaction is not completed or its completion is materially delayed and/or the Arrangement Agreement is terminated, the market price of the Units may be materially adversely affected. The REIT's business, financial condition or results of operations could be subject to various material adverse consequences, including that the REIT would remain liable for significant costs relating to the Transaction including, among others, legal, accounting and printing expenses. In addition, depending on the circumstances in which termination of the Arrangement Agreement occurs, the REIT may have to pay the Termination Fee.

Payment of the Termination Fee

Each of the REIT and Choice Properties has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can the REIT provide any assurance, that the Arrangement Agreement will not be terminated before the completion of the Transaction. See "*The Arrangement Agreement – Termination*". In the event the Arrangement Agreement is terminated and the Transaction is not consummated, the REIT may, in certain circumstances, be obligated to pay the Termination Fee to Choice Properties. In addition, the Termination Fee obligations may discourage other parties from participating in an alternative transaction with the REIT even if those parties might be willing to offer greater value to Unitholders than pursuant to the Transaction.

Another Attractive Take-Over, Merger or Business Combination May Not Be Available

If the Transaction is not completed, there can be no assurance that the REIT will be able to find a party willing to pay an equivalent or more attractive consideration than the Consideration to be provided by Choice Properties under the Transaction or willing to proceed at all with a similar transaction or any alternative transaction.

While the Transaction is Pending, the REIT is Restricted from Taking Certain Actions

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

The REIT's Trustees and Officers may have Interests in the Transaction that are Different from those of Unitholders

In considering the Transaction and the unanimous recommendations of the members of the Board (other than members who have abstained from voting or recused themselves) with respect to the Transaction, Unitholders should be aware that the executive officers and the Trustees have certain interests in connection with the Transaction or may receive benefits that may differ from, or be in addition to, the interests of Unitholders generally, which may present them with actual or potential conflicts of interest in connection with the Transaction. See *"Interest of Certain Persons or Companies in Matters to be Acted Upon"*.

Qualifying Exchange

The QE Transactions (i.e., the QE Transfer, the QE Redemption and the RU Redemption) are structured to qualify as a "qualifying exchange" under section 132.2 of the Tax Act. If the QE Transactions do not so qualify, the QE Transfer would be a taxable disposition to the REIT and, to the extent a Unitholder's Units are redeemed pursuant to the QE Redemption or the RU Redemption, the Unitholder would have a taxable disposition of such Units on the redemption. This could result in material adverse tax consequences to Unitholders.

REIT Exception

The REIT has been advised that Choice Properties intends to conduct its affairs so that it will qualify for the REIT Exception at all times throughout 2018 and beyond. There can be no assurances that Choice Properties will be able to qualify for the REIT Exception such that Choice Properties and the Choice Properties Unitholders will not be subject to the SIFT Rules in 2018 or in future years. Please refer to the discussion under "*Certain Canadian Federal Income Tax Considerations – Residents of Canada – Holding and Disposing of Choice Properties Units Received Pursuant to the Plan of Arrangement"*.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Interests of Certain Persons in the Transaction

In considering the Transaction and the unanimous recommendation of the Board (other than members who have abstained from voting or recused themselves) with respect to the Transaction, Unitholders should be aware that the Trustees, executive officers or employees of the REIT may have certain interests in connection with the Transaction or may receive benefits that may differ from, or be in addition to, the interests of Unitholders generally, which may present them with actual or potential conflicts of interest in connection with the Transaction. These interests and benefits are described below.

All benefits received, or to be received, by Trustees, executive officers or employees of the REIT as a result of the Transaction are, and will be, solely in connection with their services as Trustees, officers or employees of the REIT. No benefit has been, or will be, conferred for the purpose of increasing the value of consideration payable to any such person for the Units held by such persons and no consideration is, or will be, conditional on such person supporting the Transaction.

Units

As at March 8, 2018, the Trustees and certain executive officers of the REIT, beneficially owned, directly or indirectly, or exercised control or direction over, in the aggregate 899,540 Units, which represented approximately 1.2% of the Units on an undiluted basis. All of the Units held by the Trustees and executive officers of the REIT, except for Restricted Units, will be treated in the same manner under the Transaction as Units held by all other Unitholders. Restricted Units will be redeemed for Choice Properties Units on the same basis as all other Units, other than not being subject to proration. For a detailed description of the

treatment of Restricted Units under the Transaction, see *"The Transaction – Treatment of REIT Securities – Restricted Units"*. As at March 8, 2018, there were 548,070 Restricted Units issued and outstanding.

Further information with respect to the compensation and the financial holdings and interests of the Trustees and executive officers of the REIT is contained in the 2017 Circular, which is incorporated by reference in this Circular. See "*Documents Incorporated by Reference*" in Appendix "F" – *Information Concerning the REIT*.

Change of Control Arrangements

Each of (i) Stephen Johnson, (ii) Mario Barrafato, (iii) Rael Diamond, (iv) Trent Holfeld, (v) Archna Mathur and (vi) Ana Radic is currently employed by the REIT or an affiliate thereof and has an agreement with the REIT or an affiliate thereof in respect of his or her employment. Such employment agreements include "change of control" provisions; the Transaction will constitute a "change of control" under such provisions, as it involves the sale of substantially all of the assets of the REIT. While no payments are expected to be made as a result of the Transaction constituting a "change of control" under the employment agreements, except in connection with a termination of employment in certain circumstances, the terms of such change of control provisions are set out below.

Stephen Johnson's employment agreement provides that his employment as Chief Executive Officer is terminated automatically on the effective date of a change of control. If Mr. Johnson does not accept a position with the successor entity to the REIT within three months of the effective date of the change of control, he will be entitled to (i) two times the sum of (A) his annual base salary as at the date of termination; (B) the target annual performance bonus for the year in which the date of termination occurs; and (C) the maximum potential award under the Restricted Unit Plan for the year in which the date of termination occurs; and (ii) his existing benefits and car allowance for a period of 24 months following the effective date of the change of control.

If, on a change of control, Mr. Johnson does not accept a position with the successor entity to the REIT, Mr. Johnson's change of control termination amount will be $7,414,750 (excluding benefits and car allowance). In connection with a change of control, Mr. Johnson will be entitled to receive accrued obligations for the stub period (in this case, the period from January 1, 2018 to the effective date of the change of control), including amounts in respect of unpaid salary, bonus and grants under the Restricted Unit Plan. The value of the existing Restricted Units (received in prior years as part of his annual compensation, up to and including fiscal year 2017) that will vest upon a change of control will be $8,316,076 (based on the closing Unit price as of March 2, 2018). Mr. Johnson will receive the change of control termination amount on the date that is three months following the effective date of the change of control provided that Mr. Johnson has not accepted a position with the successor entity.

Mr. Johnson has agreed to accept a position of President and Chief Executive Officer of Choice Properties effective upon completion of the Transaction. As a result, it is expected that Mr. Johnson will not be paid the change of control termination amount by the REIT or Choice Properties under his employment agreement as a consequence of the Transaction.

Mr. Johnson's entitlements under the Restricted Unit Plan will be determined in accordance with the terms of the Restricted Unit Plan, any applicable award agreements and his existing employment agreement. Further information with respect to the Restricted Unit Plan is contained in the 2017 Circular, which is incorporated by reference into this Circular. See "*Documents Incorporated by Reference*" in Appendix "F" – *Information Concerning the REIT*.

Pursuant to the employment agreements for each of Mr. Barrafato, Mr. Diamond, Mr. Holfeld, Ms. Mathur and Ms. Radic certain change of control payments are provided for where (i) the executive officer is terminated without "Just Cause" (as defined in each employment agreement) within one year of the change of control; or (ii) the executive officer resigns for "Good Reason" (as defined in each employment agreement) within one year of a change of control. Mr. Diamond, as Chief Operating Officer, and Mr. Barrafato, as Chief Financial Officer, have agreed to assume management positions with Choice Properties

upon completion of the Transaction. Further information regarding the compensation of the executive officers, including payments that may be due in connection with a change of control, are contained in the 2017 Circular, which is incorporated by reference into this Circular. See "*Documents Incorporated by Reference*" in Appendix "F" – *Information Concerning the REIT*.

Retention Payments

The REIT may implement an employee retention bonus and severance programs for its employees during the pendency of the Arrangement Agreement. The terms for any such programs have yet to be established by the REIT.

Consideration

Other than as disclosed elsewhere in this Circular and in the table below, no Trustee or executive officer of the REIT who has been a Trustee or executive officer at any time since the beginning of the REIT's last financial year, and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting. As at March 8, 2018, Trustees and executive officers of the REIT beneficially owned, directly or indirectly, or exercised control or direction over, the number of Units, including Restricted Units, disclosed below. As at March 8, 2018, the Trustees and executive officers of the REIT did not beneficially own, directly or indirectly, any Choice Properties Units. All of the Units held by the executive officers and Trustees of the REIT (including former Trustees of the REIT) will be treated in the same manner under the Transaction as Units held by any other Unitholder, except as otherwise disclosed above. For a description of the treatment of Restricted Units under the Transaction, see *"The Transaction – Treatment of REIT Securities – Restricted Units*".

Name and Position	Number of Units (including Restricted Units)[1]	Number of Restricted Units
Stephen E. Johnson *Chief Executive Officer and Trustee*	642,573	277,746
John A. Brough *Trustee*	-	-
Anthony S. Fell *Trustee*	33,150	-
Karen A. Kinsley *Trustee*	1,000	-
R. Michael Latimer *Trustee*	1,753	-
W. Reay Mackay *Trustee*	35,000	-
Dale R. Ponder *Trustee*	1,110	-
René Arsenault *Senior Vice President, Québec Region*	18,967	11,342
Mario Barrafato *Executive Vice President and Chief Financial Officer*	40,429	40,429
Anthony Bird *Vice President, Eastern Canada-Industrial*	5,173	3,723

Name and Position	Number of Units (including Restricted Units)[1]	Number of Restricted Units
Rael L. Diamond *President and Chief Operating Officer*	90,842	90,842
Carla Fedele *Vice President, Alberta-Industrial*	3,466	3,409
Trent H. Holfeld *Senior Vice President, Retail Properties*	22,035	21,654
Archna Mathur *Senior Vice President, Corporate Administration & Governance*	15,434	10,434
Robert O'Brien *Vice President, Pacific Region*	17,499	8,102
Ana Radic *Senior Vice President, Office Properties*	16,214	16,214

Notes:

(1) The number of Units indicated in this column represents, in each case, less than 1% of the outstanding Units.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this Circular, no informed person (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) or any associate or affiliate of any informed person has any material interest, direct or indirect, in any transaction since the commencement of the REIT's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the REIT or any of its Subsidiaries.

INTEREST OF EXPERTS

The Annual Financial Statements, incorporated by reference in this Circular, have been audited by Deloitte LLP, Chartered Professional Accountants, Licensed Public Accountants, as set forth in their report thereon dated February 14, 2018, incorporated by reference in this Circular.

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

Certain legal matters in this Circular have been reviewed by Blake, Cassels & Graydon LLP on behalf of the REIT and certain U.S. legal matters in this Circular have been reviewed by Latham & Watkins LLP on behalf of the REIT. As of the date hereof, the partners and associates of each of Blake, Cassels & Graydon LLP, and Latham & Watkins LLP as a group, own, directly or indirectly, less than 1% of the Units.

OTHER BUSINESS

Management of the REIT knows of no matters to come before the Meeting other than those referred to in the Notice of Special Meeting. However, if any other matters will properly come before the Meeting, it is the intention of the persons named in the form of proxy to vote on such matters in accordance with their best judgment.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the REIT are Deloitte LLP at their office located at 8 Adelaide Street West, Suite 200, Toronto, Ontario M5H 0A9. Deloitte LLP (or their predecessor firms) has been the auditors of the REIT since the REIT became a public real estate investment trust in 1993.

The transfer agent and registrar for the REIT is AST Trust Company (Canada), at its office located at 1 Toronto Street, Suite 1200, Toronto, Ontario M5C 2V6.

ADDITIONAL INFORMATION

The REIT files reports and other information with the securities commissions of the provinces and territories of Canada. Financial information is provided in the REIT's consolidated financial statements and management's discussion and analysis for the most recently completed financial year ended December 31, 2017. These reports and information are available to the public free of charge under the REIT's profile on SEDAR at www.sedar.com and may also be obtained free of charge, upon request of any Unitholder to the Executive Vice President and Chief Financial Officer of the REIT at 175 Bloor Street East, North Tower, Suite 1400, Toronto, Ontario M4W 3R8 (telephone: 416-628-7872).

CONSENT OF RBC CAPITAL MARKETS

To: the Board of Trustees of Canadian Real Estate Investment Trust

We hereby consent to the references within the management information circular of Canadian Real Estate Investment Trust (the "**REIT**") dated March 8, 2018 (the "**Circular**") to the fairness opinion of our firm dated February 14, 2018 (the "**Fairness Opinion**"), which we prepared for the Board of Trustees of the REIT in connection with the arrangement agreement dated February 14, 2018 entered into between the REIT, CREIT Eastern GP Inc. and Choice Properties Real Estate Investment Trust, to the filing of the Fairness Opinion with securities regulatory authorities and to the inclusion of the full text of the Fairness Opinion as Appendix "E" to the Circular. In providing this consent, we do not intend that any persons other than the Board of Trustees of the REIT rely upon such fairness opinion.

"RBC Dominion Securities Inc."

RBC Dominion Securities Inc.
March 8, 2018

CONSENT OF BLAKE, CASSELS & GRAYDON LLP

To: the Board of Trustees of Canadian Real Estate Investment Trust

We hereby consent to the references within the management information circular of Canadian Real Estate Investment Trust dated March 8, 2018 (the "**Circular**") to our firm name and to the opinions of our firm under "*Certain Canadian Federal Income Tax Considerations*" and to the use of our opinions in the Circular.

"Blake, Cassels & Graydon LLP"

Blake, Cassels & Graydon LLP
March 8, 2018

APPROVAL OF THE BOARD OF TRUSTEES

The contents and the sending of the Notice of Special Meeting and this Circular have been approved by the Board.

DATED March 8, 2018

BY ORDER OF THE BOARD OF TRUSTEES

"*W. Reay Mackay*"
W. Reay Mackay
Trustee

APPENDIX A
SPECIAL RESOLUTION

BE IT RESOLVED THAT:

1. The arrangement (the "**Arrangement**") under Section 182 of the *Business Corporations Act* (Ontario) (the "**OBCA**") and Section 60 of the *Trustee Act* (Ontario) of Canadian Real Estate Investment Trust (the "**REIT**"), pursuant to the arrangement agreement among the REIT, CREIT Eastern GP Inc. ("**Eastern GP**") and Choice Properties Real Estate Investment Trust dated February 14, 2018, as it may be modified, supplemented or amended from time to time in accordance with its terms (the "**Arrangement Agreement**"), all as more particularly described in the management information circular of the REIT dated March 8, 2018 (the "**Circular**"), and all transactions contemplated thereby, are hereby authorized and approved.

2. The plan of arrangement of the REIT (as it has been or may be amended, modified or supplemented in accordance with the Arrangement Agreement (the "**Plan of Arrangement**")), the full text of which is set out in Appendix "D" to the Circular, and the completion of each of the steps described in the Plan of Arrangement (whether completed as part of the Plan of Arrangement or otherwise) are hereby authorized and approved.

3. The Arrangement Agreement and related transactions, the actions of the trustees of the REIT in approving the Arrangement Agreement, and the actions of the trustees and officers of the REIT in executing and delivering the Arrangement Agreement, and any amendments, modifications or supplements thereto, are hereby ratified, approved and confirmed.

4. The REIT be and is hereby authorized to apply for a final order from the Ontario Superior Court of Justice (Commercial List) to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be amended, modified or supplemented in accordance with the Arrangement Agreement).

5. Notwithstanding that this resolution has been passed (and the Arrangement approved) by the unitholders of the REIT or that the Arrangement has been approved by the Ontario Superior Court of Justice (Commercial List), the trustees of the REIT are hereby authorized and empowered to, without notice to or approval of the unitholders of the REIT, (a) amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by their terms and (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions.

6. Any officer or trustee of the REIT is hereby authorized and directed, for and on behalf of the REIT and Eastern GP, to execute and deliver for filing with the Director under the OBCA, articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents.

7. The amendment and restatement to the amended and restated declaration of trust (the "**Declaration of Trust**") of the REIT to add the words "Notwithstanding the foregoing, the annual meeting of Unitholders in respect of the year ended December 31, 2017 shall be held within nine months after the end of such fiscal year." at the end of Section 6.1 of the Declaration of Trust, and any ancillary amendments to the Declaration of Trust that the trustees of the REIT reasonably determine to be necessary or desirable to give proper effect to this unitholder resolution, be and are hereby authorized and approved and the trustees of the REIT are hereby authorized and directed to execute or cause to be executed on behalf of the REIT an amended and restated Declaration of Trust reflecting the foregoing amendments.

8. Any officer or trustee of the REIT is hereby authorized and directed for and on behalf of the REIT to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

APPENDIX B
INTERIM ORDER

Court File No. CV-18-593246-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	FRIDAY, THE 9th
	)	
JUSTICE T. MCEWEN	)	DAY OF MARCH, 2018

IN THE MATTER OF an application under section 182 of the *Business Corporations Act (Ontario)*, R.S.O. 1990, c. B.16, as amended, and section 60 of the *Trustee Act*, R.S.O. 1990, c. T.3, as amended

AND IN THE MATTER OF Rule 14.05(2) of the *Rules of Civil Procedure*

AND IN THE MATTER OF an Application by Canadian Real Estate Investment Trust and CREIT Eastern GP Inc. relating to a proposed arrangement involving Canadian Real Estate Investment Trust, CREIT Eastern GP Inc. and Choice Properties Real Estate Investment Trust

AMENDED INTERIM ORDER

THIS MOTION made by the Applicants, Canadian Real Estate Investment Trust (the "**REIT**") and CREIT Eastern GP Inc. ("**CREIT GP**"), for an interim order for advice and directions pursuant to section 182 of the *Business Corporations Act* (Ontario), R.S.O. 1990, c. B.16, as amended (the "**OBCA**") and section 60 of the *Trustee Act*, R.S.O. 1990, c. T.3, as amended (the "**Trustee Act**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Notice of Application issued on March 5, 2018 and the affidavit of Mario Barrafato sworn March 6, 2018, (the "**Affidavit**"), including the Plan of Arrangement, which is attached as Schedule D to the draft management information circular of the REIT (the "**Information Circular**"), which is attached as Exhibit A to the Affidavit, and on hearing the submissions of counsel for the REIT and CREIT GP and counsel for Choice Properties Real Estate Investment Trust ("**Choice Properties**").

Definitions

1. **THIS COURT ORDERS** that all definitions used in this Interim Order shall have the meaning ascribed thereto in the Information Circular or otherwise as specifically defined herein.

The Meeting

2. **THIS COURT ORDERS** that the REIT is permitted to call, hold and conduct a special meeting (the "**Meeting**") of the holders of Units (the "**Unitholders**") of the REIT to be held at 1 King Street West, 2nd Level, Grand Banking Hall, Toronto, Ontario, M5H 1A1, on April 11, 2018 at 10:00 a.m. (Toronto time) in order for the Unitholders to consider and, if determined advisable, pass a special resolution authorizing, adopting and approving, with or without variation, the Arrangement and the Plan of Arrangement (collectively, the "**Special Resolution**").

3. **THIS COURT ORDERS** that the Meeting shall be called, held and conducted in accordance with the notice of meeting of Unitholders, which accompanies the Information Circular (the "**Notice of Meeting**"), and the amended and restated declaration of trust of the REIT dated May 18, 2017 (the "**Declaration of Trust**"), subject to what may be provided hereafter and subject to further order of this court.

4. **THIS COURT ORDERS** that the record date (the "**Record Date**") for determination of the Unitholders entitled to notice of, and to vote at, the Meeting shall be March 2, 2018.

5. **THIS COURT ORDERS** that the only persons entitled to attend or speak at the Meeting shall be:

a) the Unitholders or their respective proxyholders;

b) the officers, Trustees, auditors and advisors of the REIT;

c) representatives and advisors of CREIT GP;

d) representatives and advisors of Choice Properties; and

e) other persons who may receive the permission of the Chair of the Meeting.

6. **THIS COURT ORDERS** that the REIT may transact such other business at the Meeting as is contemplated in the Information Circular, or as may otherwise be properly before the Meeting.

Quorum

7. **THIS COURT ORDERS** that the Chair of the Meeting shall be determined by the REIT and that the quorum at the Meeting shall be persons present not being less than two in number and being Unitholders, or representing by proxy Unitholders who hold in the aggregate not less than 25% of the combined total number of outstanding Units as at the Record Date.

Amendments to the Arrangement and Plan of Arrangement

8. **THIS COURT ORDERS** that the REIT is authorized to make, subject to the terms of the Arrangement Agreement, and paragraph 9, below, such amendments, modifications or supplements to the Arrangement and the Plan of Arrangement as it may determine without any additional notice to the Unitholders, or others entitled to receive notice under paragraph 12 hereof and the Arrangement and Plan of Arrangement, as so amended, modified or supplemented shall be the Arrangement and Plan of Arrangement to be submitted to the Unitholders at the Meeting and shall be the subject of the Special Resolution. Amendments,

modifications or supplements may be made following the Meeting, but shall be subject to review and, if appropriate, further direction by this Honourable Court at the hearing for the final approval of the Arrangement.

9. **THIS COURT ORDERS** that, if any amendments, modifications or supplements to the Arrangement or Plan of Arrangement as referred to in paragraph 8, above, would, if disclosed, reasonably be expected to affect a Unitholder's decision to vote for or against the Special Resolution, notice of such amendment, modification or supplement shall be distributed, subject to further order of this Honourable Court, by press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practicable in the circumstances, as the REIT may determine.

Amendments to the Information Circular

10. **THIS COURT ORDERS** that the REIT is authorized to make such amendments, revisions and/or supplements to the draft Information Circular as it may determine and the Information Circular, as so amended, revised and/or supplemental, shall be the Information Circular to be distributed in accordance with paragraph 12.

Adjournments and Postponements

11. **THIS COURT ORDERS** that the REIT, if it deems advisable and subject to the terms of the Arrangement Agreement, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Unitholders respecting the adjournment or postponement, and notice of any such adjournment or postponement shall be given by such method as the REIT may

determine is appropriate in the circumstances. This provision shall not limit the authority of the Chair of the Meeting in respect of adjournments and postponements.

Notice of Meeting

12. **THIS COURT ORDERS** that, in order to effect notice of the Meeting, the REIT shall send the Information Circular (including the Notice of Application and this Interim Order), the Notice of Meeting, the form of proxy and the letter of transmittal and election form, along with such amendments or additional documents as the REIT may determine are necessary or desirable and are not inconsistent with the terms of this Interim Order (collectively, the "**Meeting Materials**"), to the following:

a) the registered Unitholders at the close of business on the Record Date, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting, by one or more of the following methods:

i) by pre-paid ordinary or first class mail at the addresses of the Unitholders as they appear on the books and records of the REIT, or its registrar and transfer agent, at the close of business on the Record Date and if no address is shown therein, then the last address of the person known to the REIT;

ii) by delivery, in person or by recognized courier service or inter-office mail, to the address specified in (i) above; or

iii) by facsimile or electronic transmission to any Unitholder, who is identified to the satisfaction of the REIT, who requests such transmission

in writing and, if required by the REIT, who is prepared to pay the charges for such transmission;

b) beneficial Unitholders by providing sufficient copies of the Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101 of the Canadian Securities Administrators; and

c) the respective Trustees and auditors of the REIT by delivery in person, by recognized courier service, by pre-paid ordinary or first class mail or, with the consent of the person, by facsimile or electronic transmission, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting;

and that compliance with this paragraph shall constitute sufficient notice of the Meeting.

13. **THIS COURT ORDERS** that accidental failure or omission by the REIT to give notice of the meeting or to distribute the Meeting Materials or Court Materials to any person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of the REIT, or the non-receipt of such notice shall, subject to further order of this Honourable Court, not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of the REIT, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

14. **THIS COURT ORDERS** that the REIT is hereby authorized to make such amendments, revisions or supplements to the Meeting Materials and Court Materials, as the

REIT may determine in accordance with the terms of the Arrangement Agreement ("**Additional Information**"), and that notice of such Additional Information may, subject to paragraph 9, above, be distributed by press release, newspaper advertisement, pre-paid ordinary mail, or by the method most reasonably practicable in the circumstances, as the REIT may determine.

15. **THIS COURT ORDERS** that distribution of the Meeting Materials and Court Materials pursuant to paragraph 12 of this Interim Order shall constitute notice of the Meeting and good and sufficient service of the within Application upon the persons described in paragraph 12 and that those persons are bound by any orders made on the within Application. Further, no other form of service of the Meeting Materials or the Court Materials or any portion thereof need be made, or notice given or other material served in respect of these proceedings and/or the Meeting to such persons or to any other persons, except to the extent required by paragraph 9, above.

Solicitation and Revocation of Proxies

16. **THIS COURT ORDERS** that the REIT is authorized to use the letter of transmittal, election form and proxies substantially in the form of the drafts accompanying the Information Circular, with such amendments and additional information as the REIT may determine are necessary or desirable, subject to the terms of the Arrangement Agreement. The REIT is authorized, at its expense, to solicit proxies, directly or through its officers, Trustees or employees, and through such agents or representatives as they may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine. The REIT may waive generally, in its discretion, the time limits set out in the Information Circular for the deposit or revocation of proxies by Unitholders, if the REIT deems it advisable to do so.

17. **THIS COURT ORDERS** that registered Unitholders shall be entitled to revoke their proxies by by: (i) completing and signing a form of proxy bearing a later date and depositing it with AST Trust Company (Canada) as described in the Information Circular under "*General Proxy Matters – Registered Unitholders*"; (ii) depositing an instrument in writing executed by the Unitholder or by the Unitholder's attorney authorized in writing, to the attention of the Executive Vice President and Chief Financial Officer of the REIT, at the registered office of the REIT at any time up to 5:00 p.m. (Toronto time) on April 9, 2018; or (iii) in any other manner permitted by Law.

Voting

18. **THIS COURT ORDERS** that the only persons entitled to vote in person or by proxy on the Special Resolution, or such other business as may be properly brought before the Meeting, shall be those Unitholders who hold units as of the close of business on the Record Date. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted consistent with the terms of the proxy.

19. **THIS COURT ORDERS** that votes shall be taken at the Meeting on the basis of one vote per unit and that in order for the Plan of Arrangement to be implemented, subject to further Order of this Honourable Court, the Special Resolution must be passed, with or without variation, at the Meeting by an affirmative vote of at least two-thirds ($66^2/_3\%$) of the votes cast in respect of the Special Resolution at the Meeting in person or by proxy by the Unitholders.

Such votes shall be sufficient to authorize the REIT to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis

consistent with what is provided for in the Information Circular without the necessity of any further approval by the Unitholders, subject only to final approval of the Arrangement by this Honourable Court.

20. **THIS COURT ORDERS** that in respect of matters properly brought before the Meeting pertaining to items of business affecting the REIT (other than in respect of the Special Resolution), each Unitholder is entitled to one vote for each unit held.

Dissent Rights

21. **THIS COURT ORDERS** that each registered Unitholder shall be entitled to exercise Dissent Rights in connection with the Special Resolution in accordance with the Declaration of Trust ~~section 185 of the OBCA~~ (except as the procedures of that section are varied by this Interim Order, and the Plan of Arrangement ~~and the Declaration of Trust~~) provided that~~,~~ ~~notwithstanding subsection 185(6) of the OBCA,~~ any registered Unitholder who wishes to dissent must, as a condition precedent thereto, provide written objection to the Special Resolution to the REIT in the form required by the Declaration of Trust ~~section 185 of the OBCA~~ and the Arrangement Agreement, which written objection must be received by the REIT not later than 5:00 p.m. (Eastern time) on April 9, 2018 or the second business day immediately preceding the Meeting (or any adjournment or postponement thereof), and must otherwise strictly comply with the requirements of the Declaration of Trust ~~OBCA~~. For purposes of these proceedings, the "court" referred to in the Declaration of Trust ~~section 185 of the OBCA~~ means this Honourable Court.

22. **THIS COURT ORDERS** that the REIT shall be required to offer to pay fair value, which fair value will be determined as of the close of business on the day before the Special

Resolution is adopted at the Meeting, for registered Unitholders who duly exercise Dissent Rights, and to pay the amount to which such registered Unitholders may be entitled pursuant to the terms of the Plan of Arrangement.

23. **THIS COURT ORDERS** that any registered Unitholder who duly exercises such Dissent Rights set out in paragraph 21 above and who:

i) is ultimately determined by this Honourable Court to be entitled to be paid fair value for his, her or its units, shall be deemed to have such units redeemed by the REIT for such fair value as provided in the Plan of Arrangement, without any further act or formality and free and clear of all liens, claims, encumbrances, charges, adverse interests or security interests; or

ii) is for any reason ultimately determined by this Honourable Court not to be entitled to be paid fair value for his, her or its units pursuant to the exercise of the Dissent Right, shall be deemed to have participated in the Arrangement as if such Dissenting Unitholder had not dissented and had elected to receive Cash Consideration for such Dissenting Units;

but in no case shall the REIT, CREIT GP, Choice Properties or any other person be required to recognize such Unitholders as holders of units of the REIT after the completion of the redemptions as set forth in the Plan of Arrangement at or after the date upon which the Arrangement becomes effective and the names of such Unitholders shall be deleted from the REIT's register of holders of registered units at that time.

Hearing of Application for Approval of the Arrangement

24. **THIS COURT ORDERS** that upon approval by the Unitholders of the Plan of Arrangement in the manner set forth in this Interim Order, the REIT and CREIT GP may apply to this Honourable Court for final approval of the Arrangement.

25. **THIS COURT ORDERS** that distribution of the Notice of Application and the Interim Order in the Information Circular, when sent in accordance with paragraph 12 shall constitute good and sufficient service of the Notice of Application and this Interim Order and no other form of service need be effected and no other material need be served unless a Notice of Appearance is served in accordance with paragraph 26.

26. **THIS COURT ORDERS** that any Notice of Appearance served in response to the Notice of Application shall be served on the solicitors for the REIT and CREIT GP, with a copy to counsel for Choice Properties, as soon as reasonably practicable, and, in any event, no less than four (4) days before the hearing of this Application at the following addresses:

Blake, Cassels & Graydon LLP,
199 Bay Street, Suite 4000
Toronto, Ontario M5L 1A9
Attention: Ryan Morris

Lawyers for the REIT and CREIT GP

Torys LLP
79 Wellington St West, Suite 3000
Toronto, Ontario M5K 1N2
Attention: Andrew D. Gray

Lawyers for Choice Properties

27. **THIS COURT ORDERS** that, subject to further order of this Honourable Court, the only persons entitled to appear and be heard at the hearing of the within application shall be:

i) the REIT ;

ii) CREIT GP;

iii) Choice Properties; and

iv) any person who has filed a Notice of Appearance herein in accordance with the Notice of Application, this Interim Order and the *Rules of Civil Procedure*.

28. **THIS COURT ORDERS** that any materials to be filed by the REIT or CREIT GP in support of the within Application for final approval of the Arrangement may be filed up to one day prior to the hearing of the Application without further order of this Honourable Court.

29. **THIS COURT ORDERS** that in the event the within Application for final approval does not proceed on the date set forth in the Notice of Application, and is adjourned, only those persons who served and filed a Notice of Appearance in accordance with paragraph 26 shall be entitled to be given notice of the adjourned date.

Precedence

30. **THIS COURT ORDERS** that, to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing or collateral to the units or the Declaration of Trust, this Interim Order shall govern.

Extra-Territorial Assistance

31. **THIS COURT** seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of

the United States or other country to act in aid of and to assist this Honourable Court in carrying out the terms of this Interim Order.

Variance

32. **THIS COURT ORDERS** that the REIT and CREIT GP shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Honourable Court may direct.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:
MAR 09 2018
PER / PAR:

IN THE MATTER OF an application under section 182 of the Ontario *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended and section 60 of the *Trustee Act*, R.S.O. 1990, c. T.3, as amended
AND IN THE MATTER OF Rule 14.05(2) of the *Rules of Civil Procedure*
AND IN THE MATTER OF an application by Canadian Real Estate Investment Trust and CREIT Eastern GP Inc. involving Canadian Real Estate Investment Trust, CREIT Eastern GP Inc. and Choice Properties Real Estate Investment Trust

B-15

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding Commenced at Toronto

AMENDED INTERIM ORDER

BLAKE, CASSELS & GRAYDON LLP
Barristers and Solicitors
199 Bay Street, Ste. 4000
Commerce Court West
Toronto, ON M5L 1A9

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Lawyers for the Applicants, Canadian Real Estate Investment Trust and CREIT Eastern GP Inc.

APPENDIX C
NOTICE OF APPLICATION FOR FINAL ORDER

Court File No. CV-18-593246-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF an application under section 182 of the *Business Corporations Act (Ontario)*, R.S.O. 1990, c. B.16, as amended, and section 60 of the *Trustee Act*, R.S.O. 1990, c. T.3, as amended

AND IN THE MATTER OF Rule 14.05(2) of the *Rules of Civil Procedure*

AND IN THE MATTER OF an Application by Canadian Real Estate Investment Trust and CREIT Eastern GP Inc. relating to a proposed arrangement involving Canadian Real Estate Investment Trust, CREIT Eastern GP Inc. and Choice Properties Real Estate Investment Trust

NOTICE OF APPLICATION

TO THE RESPONDENTS:

A PROCEEDING HAS BEEN COMMENCED by the applicants. The claim made by the applicants appears on the following page.

THIS APPLICATION will come on for a hearing on April 13, 2018 at 10:00 a.m., at 330 University Avenue, 8th Floor, Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicants' lawyers, or where the applicants do not have a lawyer, serve it on the applicants, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicants' lawyer or, where the applicants do not have a lawyer, serve it on the applicants, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least 2 days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU

WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

DATE: March 5, 2018 Issued by: _____
(Registry Officer)

Address of local office:

330 University Avenue
7th Floor
Toronto, Ontario
M5G 1R7

TO: All Holders of Units of Canadian Real Estate Investment Trust

AND TO: All Trustees of Canadian Real Estate Investment Trust

AND TO: The Directors of CREIT Eastern GP Inc.

AND TO: The Auditor for Canadian Real Estate Investment Trust and CREIT Eastern GP Inc.

AND TO: Torys LLP
79 Wellington St West, Suite 3000
Toronto, Ontario M5K 1N2

Andrew D. Gray
Tel: 416.865.7630
Fax: 416.865.7380
agray@torys.com

Lawyers for Choice Properties Real Estate Investment Trust

APPLICATION

1. The Applicants, Canadian Real Estate Investment Trust (the "**REIT**") and CREIT Eastern GP Inc. ("**CREIT GP**"), make application for:

(a) an order pursuant to section 182 of the Ontario *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the "**OBCA**") and section 60 of the *Trustee Act*, R.S.O. 1990, c. T.3, as amended (the "**Trustee Act**") approving a Plan of Arrangement (the "**Arrangement**") proposed by the REIT and CREIT GP and described in the Management Information Circular of the REIT (the "**Information Circular**") which Information Circular will be attached as an exhibit to the affidavit to be filed in support of this Application, and which will result in, among other things, the acquisition of the REIT's assets and assumption of the REIT's liabilities (other than certain credit facilities of the REIT that will be repaid in connection with the Arrangement), including long-term debt and all residual liabilities, by Choice Properties Real Estate Investment Trust ("**Choice Properties**") and the dissolution of CREIT GP;

(b) an interim order for the advice and directions of this Court pursuant to subsection 182(5) of the OBCA and section 60 of the Trustee Act with respect to the Arrangement and this Application (the "**Interim Order**");

(c) an order abridging the time for the service and filing or dispensing with service of the Notice of Application and Application Record, if necessary; and

(d) such further and other relief as this Court may deem just.

2. The grounds for the Application are:

(a) The REIT is an unincorporated closed-end investment trust governed by the laws of the Province of Ontario and created pursuant to the Amended and Restated Declaration of Trust of the REIT dated as of May 18, 2017 as further amended from time to time, which owns and manages a diversified real estate

portfolio consisting of retail, industrial, office and residential properties (including development properties) throughout Canada;

(b) CREIT GP is a corporation existing under the OBCA and is a wholly owned subsidiary of the REIT.

(c) Choice Properties is an unincorporated, open-ended real estate investment trust established pursuant to a declaration of trust under and governed by the laws of the Province of Ontario. It is an owner, manager and developer of well-located retail and other commercial properties across Canada.

(d) Pursuant to the Arrangement, Choice Properties will, among other things, acquire all of the REIT's assets and assume all of its liabilities (other than certain credit facilities of the REIT that will be repaid in connection with the Arrangement), including long-term debt and all residual liabilities. The REIT will then redeem all of its outstanding units ("**Units**") for an aggregate of $22.50 in cash and 2.4904 units of Choice Properties issued pursuant to the declaration of trust of Choice Properties Real Estate Investment Trust dated as of May 21, 2013 and as further amended from time to time per Unit, on a fully prorated basis.

(e) the Arrangement is an "arrangement" within the meaning of subsection 182(1) of the OBCA;

(f) all statutory requirements for an arrangement under the OBCA either have been fulfilled or will be fulfilled by the date of the return of this Application;

(g) the directions set out and the approvals required pursuant to any Interim Order this court may grant have been followed and obtained, or will be followed and obtained by the return date of this Application;

(h) the Arrangement is put forward in good faith;

(i) the Arrangement is fair and reasonable and it is appropriate for this Court to approve the Arrangement;

(j) section 3(a)(10) of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") exempts from registration requirements of the U.S. Securities Act those securities which are issued in exchange for *bona fide* outstanding securities, claims or property interests, or partly in exchange and partly for cash, where the terms and conditions of such issuance and exchange are approved after a hearing by a court upon the fairness of such terms and conditions, at which all persons to whom it is proposed to issue securities in such exchange shall have the right to appear. Based on the Court's approval of the Arrangement, Choice Properties intends to rely upon the exemption under section 3(a)(10) of the U.S. Securities Act to issue Choice Properties units to holders of Units;

(k) section 182 of the OBCA;

(l) section 60 of the Trustee Act;

(m) rules 3.02(1), 14.05(2), 16.04(1), 16.08, 17.02, 37 and 38 of the *Rules of Civil Procedure*; and

(n) such further and other grounds as counsel may advise and this Court may permit.

3. The following documentary evidence will be used at the hearing of the Application:

(a) such Interim Order as may be granted by this Court;

(b) the affidavit of Mario Barrafato, to be sworn, and the exhibits thereto;

(c) such further affidavit(s) on behalf of the Applicant reporting as to the compliance with any Interim Order of this Court and as to the result of any meetings ordered by any Interim Order of this Court; and

(d) such further and other material as counsel may advise and this Court may permit.

4. The Notice of Application will be sent to all registered holders of the Units at the address of each holder as shown on the books and records of the REIT or as this Court may direct in the Interim Order, pursuant to rule 17.02(n) of the *Rules of Civil Procedure* in the case of those holders whose addresses, as they appear on the books and records of the REIT, are outside Ontario.

DATE: March 5, 2018

BLAKE, CASSELS & GRAYDON LLP
Barristers and Solicitors
199 Bay Street
Suite 4000, Commerce Court West
Toronto, ON M5L 1A9

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Lawyers for the Applicants, Canadian Real Estate Investment Trust and CREIT Eastern GP Inc.

Court File No: CV-18-593246-00CL

IN THE MATTER OF an application under section 182 of the Ontario *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended and section 60 of the *Trustee Act*, R.S.O. 1990, c. T.3, as amended

AND IN THE MATTER OF Rule 14.05(2) of the *Rules of Civil Procedure*

AND IN THE MATTER OF an application by Canadian Real Estate Investment Trust and CREIT Eastern GP Inc. involving Canadian Real Estate Investment Trust, CREIT Eastern GP Inc. and Choice Properties Real Estate Investment Trust

C-8

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding Commenced at Toronto

NOTICE OF APPLICATION

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Lawyers for the Applicants, Canadian Real Estate Investment Trust and CREIT Eastern GP Inc.

APPENDIX D
PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT

Plan of Arrangement under Section 182
of the
***Business Corporations Act* (Ontario)**

and Section 60
of the *Trustee Act*

ARTICLE 1.
INTERPRETATION

1.1 Defined Terms

As used in this Plan of Arrangement, the following terms have the following meanings:

"**Additional Cash Amount**" means an amount not exceeding the Aggregate Cash Consideration less the Internal Debt Amount, as set forth in the Pre-Closing Notice.

"**affiliate**" has the meaning specified in National Instrument 45-106 – *Prospectus Exemptions* as in effect on the date hereof.

"**Aggregate Cash Consideration**" has the meaning set out in Section 3.2(a).

"**Aggregate Net Cash Consideration**" has the meaning set out in Section 3.2(a).

"**Arrangement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to the arrangement pursuant to section 182 of the OBCA and section 60 of the Trustee Act set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof.

"**Arrangement Agreement**" means the arrangement agreement dated February 14, 2018 among the Purchaser, the REIT and Eastern GP, including all schedules annexed thereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"**Arrangement Resolution**" means the special resolution approving this Plan of Arrangement that was considered at the Meeting.

"**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required by the OBCA to be sent to the Director after the Final Order is made, which shall be in form and substance satisfactory to the REIT, Eastern GP and the Purchaser, each acting reasonably.

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario.

"**Cash Consideration**" has the meaning set out in Section 3.2(a).

"**Cash Difference**" has the meaning set out in Section 3.2(c).

"**Cash Electing Unitholder**" means a Unitholder who elects, or who is deemed to have elected, to receive Cash Consideration in exchange for one or more of such Unitholder's Units pursuant and subject to Sections 3.1 and 3.2 and the other provisions of this Plan of Arrangement.

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

"**Circular**" means the notice of the Meeting and accompanying management information circular, including all schedules, appendices and exhibits thereto, and information incorporated by reference in, such management information circular, sent to, Unitholders and each other Person as required by the Interim Order and Law in connection with the Meeting, as amended, supplemented or otherwise modified from time to time.

"**Computershare**" means Computershare Trust Company of Canada.

"**Constating Documents**" means: (a) articles of incorporation, amalgamation, or continuation, as applicable, and by-laws, (b) declarations of trust, (c) partnership agreements, or (d) other applicable governing instruments, and all amendments thereto.

"Contract" means any legally binding agreement, commitment, engagement, contract, licence, obligation or undertaking (including any pertaining to the Restricted Units) to which the REIT or any of its Subsidiaries is a party or by which the REIT or any of its Subsidiaries is bound or affected or to which any of their respective properties or assets is subject.

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

"**Debenture Amount**" means the amount equal to the aggregate outstanding principal amount of the Debentures, plus any accrued and unpaid interest thereon, as at the Effective Time, as set forth in the Pre-Closing Notice.

"**Debentures**" means, collectively, the Series A Debentures, the Series B Debentures, the Series C Debentures, and the Series D Debentures.

"**Depositary**" means AST Trust Company (Canada) or such other Person that may be appointed by the REIT and the Purchaser to act as depositary in connection with the Arrangement.

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

"**Dissent Amount**" means the amount equal to the Cash Consideration multiplied by the number of Dissenting Units, if any.

"**Dissent Rights**" has the meaning set out in Section 4.1.

"**Dissenting Unitholder**" means a registered holder of Units who has validly exercised its Dissent Rights and has not withdrawn such exercise of Dissent Rights prior to the Effective Time.

"**Dissenting Units**" means the Units held by Dissenting Unitholders in respect of which Dissent Rights have been and remain validly exercised at the Effective Time.

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

"**Eastern GP Parentco**" means the Subsidiary of the REIT, being a corporation to be formed by the REIT under the laws of the Province of Ontario, as set forth in the Pre-Closing Notice.

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

"**Effective Time**" means 3:01 a.m. on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

"**Elected Cash**" has the meaning set out in Section 3.2(b).

"**Elected Units**" means the Units in respect of which a Unitholder has not elected to receive the Cash Consideration, but for greater certainty does not include any Restricted Units.

"**Election Deadline**" means 5:00 p.m. on the date that is two Business Days prior to the date of the Meeting.

"**Final Order**" means the final order of the Court in a form acceptable to the REIT, Eastern GP and the Purchaser, each acting reasonably, approving the Arrangement pursuant to subsection 182(4) of the OBCA and section 60 of the Trustee Act, as such order may be amended, modified, supplemented or varied by the Court (with the consent of the REIT, Eastern GP and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended, modified, supplemented or varied (provided that any such amendment is acceptable to the REIT, Eastern GP and the Purchaser, each acting reasonably) on appeal.

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

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

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

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

"**Income Allocated on the Cash Redemptions**" means the lesser of: (a) the aggregate amount of the taxable capital gains of the REIT, calculated in accordance with the provisions of the Tax Act,

realized on, or allocated from a Subsidiary of the REIT to the REIT, in respect of the Pre-Closing Reorganization Transactions and any of the steps in this Plan of Arrangement occurring prior to the step in Section 2.4(t), and (b) the REIT's "net taxable capital gains" within the meaning of subsection 104(21) of the Tax Act for the taxation year of the REIT that shall be deemed, by section 132.2 of the Tax Act, to end as a consequence of the QE Transactions.

"**Increase Number**" has the meaning set out in Section 3.2(b)(ii).

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

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

"**Internal Debt**" means the aggregate debt payable by REIT LP Subsidiary to the REIT pursuant to the promissory note or promissory notes issued by REIT LP Subsidiary in connection with the REIT Asset Transfer as partial consideration for the assets acquired by REIT LP Subsidiary in that transaction.

"**Internal Debt Amount**" means an amount equal to the outstanding principal amount of the Internal Debt, plus any accrued and unpaid interest thereon, as at the Effective Time, as set forth in the Pre-Closing Notice.

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

"**Letter of Transmittal and Election Form**" means the letter of transmittal and election form accompanying the Circular sent to the Unitholders.

"**Lien**" means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachment, option, right of first refusal or first offer, occupancy right, covenant, assignment, lien (statutory or otherwise), defect of title, or restriction or adverse right or claim, or other third party interest or encumbrance of any kind, in each case, whether contingent or absolute.

"**Loan Receivables**" means the mezzanine loan receivables held by the REIT, if any, to be transferred to Purchaser LP Subsidiary pursuant to the step Section 2.4(k), as set forth in the Pre-Closing Notice.

"**Loan Receivables Purchase Price**" means the purchase price for the Loan Receivables as agreed to by the REIT and Purchaser LP Subsidiary, as set forth in the Pre-Closing Notice.

"**Meeting**" means the special meeting of Unitholders, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, called and held in accordance with the Interim Order to consider and, if deemed advisable, approve the Arrangement, the Arrangement Resolution, ancillary matters to the foregoing and for any other purpose set out in the Circular.

"**Non-Cash Consideration**" means 4.2835 Purchaser Units per Unit.

"**Oak Brook Holdings**" means Oak Brook Place Shops Inc., a corporation existing under the laws of the State of Illinois.

"**Oak Brook Holdings Purchase Price**" means the purchase price for all of the issued and outstanding shares in the capital of Oak Brook Holdings as agreed to by the REIT and Purchaser LP Subsidiary, as set forth in the US Documents and the Pre-Closing Notice.

"**Oak Brook Internal Mortgage**" means the mortgage in favour of Oak Brook Holdings granted by Oak Brook LP as security for the Oak Brook Internal Mortgage Loan.

"**Oak Brook Internal Mortgage Loan**" means the debt owing by Oak Brook LP to Oak Brook Holdings under a letter agreement between such parties dated December 21, 2009, with the outstanding principal amount of such debt, and all accrued and unpaid interest thereon, as at 10:00 p.m. on the Business Day immediately before the Effective Date, and any other amounts that will be payable on account of early repayment of such debt, as set forth in the Pre-Closing Notice.

"**Oak Brook LLC I**" means The Shops at Oak Brook Place I, LLC, a limited liability company established under the laws of the State of Illinois.

"**Oak Brook LLC II**" means The Shops at Oak Brook Place II, LLC, a limited liability company established under the laws of the State of Illinois.

"**Oak Brook Loan**" means the loan owing by Oak Brook Holdings to the REIT under a letter agreement between such parties dated December 21, 2009, with the outstanding principal amount of such loan, and all accrued and unpaid interest thereon, as at the Effective Time, and any other amounts that will be payable on account of early repayment of such loan, as set forth in the Pre-Closing Notice.

"**Oak Brook LP**" means The Shops at Oak Brook Place Limited Partnership, a limited partnership established under the laws of the State of Illinois.

"**Oak Brook Property**" means the land, buildings and ancillary properties constituting The Shops at Oak Brook, a retail shopping center in Oak Brook, Illinois.

"**Oak Brook Property Purchase Price**" means the purchase price for the Oak Brook Property as agreed to by Oak Brook LP and Purchaser US Subsidiary, as set forth in the US Documents and the Pre-Closing Notice.

"**OBCA**" means the *Business Corporations Act* (Ontario).

"**Parties**" means the parties to the Arrangement Agreement and "**Party**" means any one of the Parties.

"**Payment Units**" has the meaning set out in Section 2.4(v)(i).

"**Person**" includes an individual, general partnership, limited partnership, corporation, company, limited liability company, body corporate, joint venture, unincorporated organization, other form of business organization, trust, trustee, executor, administrator or other legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status.

"**Plan of Arrangement**" means this plan of arrangement, subject to any amendments or variations made in accordance with the Arrangement Agreement or Article 6, or made at the direction of the Court in the Final Order (with the prior written consent of the REIT and the Purchaser, each acting reasonably).

"Pre-Closing Notice" means a notice to be executed by the Parties two Business Days prior to the Effective Date specifying: (a) the applicable amounts and actions to be taken by the Parties and/or their respective Subsidiaries in furtherance of the Arrangement, and (b) the amounts and other details contemplated by this Plan of Arrangement.

"Pre-Closing Reorganization Transactions" means the REIT Asset Transfer and any other transactions undertaken by the REIT and/or Subsidiaries of the REIT pursuant to Section 4.13 of the Arrangement Agreement, as set forth in the Pre-Closing Notice.

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

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

"**Purchaser LP Subsidiary**" means Choice Properties Limited Partnership, a limited partnership established under the laws of the Province of Ontario.

"**Purchaser LP Subsidiary First Consideration Note**" means the promissory note to be issued by Purchaser LP Subsidiary having a principal amount equal to the Oak Brook Holdings Purchase Price, less the amount of cash, if any, in the step in Section 2.4(i)(i), and terms and conditions as set forth in the Pre-Closing Notice.

"**Purchaser LP Subsidiary Second Consideration Notes**" means the promissory notes to be issued by Purchaser LP Subsidiary having an aggregate principal amount equal to the Debenture Amount, with the principal amount of each note, and the other terms and conditions of such notes, as set forth in the Pre-Closing Notice.

"**Purchaser Unit**" means a participating unit of the Purchaser issued pursuant to the Purchaser Declaration of Trust and having the attributes described therein.

"**Purchaser US Subsidiary**" means the Subsidiary of the Purchaser, as set forth in the Pre-Closing Notice.

"**QE Redemption**" has the meaning set out in Section 2.4(w).

"**QE Transactions**" has the meaning set out in Section 2.15 of the Arrangement Agreement, and for greater certainty includes the QE Transfer, the QE Redemption and the RU Redemption.

"**QE Transfer**" has the meaning set out in Section 2.4(v).

"**REIT**" means Canadian Real Estate Investment Trust, a trust established under the laws of the Province of Ontario.

"**REIT Asset Transfer**" means the transfers of assets, effected pursuant to one or more purchase and sale agreements, by the REIT to REIT LP Subsidiary pursuant to Section 4.13 of the Arrangement Agreement.

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

"**REIT Entities**" means the REIT and Subsidiaries of the REIT immediately before the Effective Time.

"**REIT Investments**" means the limited partnership interests or units, shares or other securities of Subsidiaries of the REIT, if any, to be transferred by the REIT to REIT LP Subsidiary pursuant to the step in Section 2.4(j), as set forth in the Pre-Closing Notice.

"**REIT Investments Purchase Price**" means the purchase price for the REIT Investments as agreed to by the REIT and REIT LP Subsidiary, as set forth in the Pre-Closing Notice.

"**REIT LP Subsidiary**" means CPH Master Limited Partnership, a limited partnership established under the laws of the Province of Ontario.

"**REIT LP Subsidiary Consideration Note**" has the meaning set out in Section 2.4(j)(i).

"**REIT LP Subsidiary GP**" means CPH Master GP Trust, a trust established under the laws of the Province of Ontario.

"**REIT LP Subsidiary Unit**" means a limited partnership unit in the capital of REIT LP Subsidiary.

"**REIT LP Subsidiary Unit Price**" means the fair market value of a REIT LP Subsidiary Unit immediately before the step in Section 2.4(j), as set forth in the Pre-Closing Notice.

"**REIT Released Parties**" means, collectively, the REIT Entities and their respective present and former officers, directors, trustees, employees, auditors, financial advisors, legal counsel and agents.

"**Remaining Purchaser Units**" has the meaning set out in Section 3.5(b)(ii).

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

"**Restricted Units**" means the vested and unvested Units subject to and administered under the Restricted Unit Plan.

"**RU Redemption**" has the meaning set out in Section 2.4(x).

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

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

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

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

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

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

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Taxable Income**" means for any taxation year, the aggregate of: (a) the net income for the year (excluding capital gains and capital losses) determined in accordance with the Tax Act having regard to the provisions thereof which relate to the calculation of income for the purpose of determining the "taxable income" of a trust, and read without reference to paragraph 82(1)(b) and subsection 104(6) of the Tax Act, less any non-capital losses carried forward from prior taxation years that are deductible in the taxation year, and (b) the amount of realized capital gains for the year less the amount of realized capital losses for the year, in each case, as calculated in accordance with the Tax Act, less any net capital losses carried forward from prior taxation years that are deductible in the taxation year.

"**Taxes**" means: (a) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employer health, payroll, workers' compensation, employment or unemployment, severance, social services, social security, education, utility,

surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions, and (b) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (a) above or this clause (b).

"**Third Party Debt**" means the loans owing by the REIT to third party creditors with the description of such loans, the outstanding principal amounts of such loans, and all accrued and unpaid interest thereon, and any security in respect thereof, as at the Effective Time, as set forth in the Pre-Closing Notice.

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

"**Trustee Act**" means the *Trustee Act* (Ontario).

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

"**Unit Electing Unitholder**" means a Unitholder, other than a holder of Restricted Units in respect of such Restricted Units, who elects, or is deemed to have elected, to receive Non-Cash Consideration in exchange for one or more of such Unitholder's Units pursuant and subject to Sections 3.1 and 3.2 and the other provisions of this Plan of Arrangement.

"**Unitholder Rights Plan**" means the amended and restated unitholder rights plan of the REIT dated May 18, 2017.

"**Unitholders**" or "**holders**" means the registered or beneficial holders of the Units.

"**US Documents**" means: (a) with respect to the step in Section 2.4(a), the purchase and sale agreement between Oak Brook LP and Purchaser US Subsidiary governing the sale of the Oak Brook Property and the consideration payable by Purchaser US Subsidiary for such property, (b) with respect to the steps in Sections 2.4(b) and (h), the repayment agreements governing the repayment of the Oak Brook Internal Mortgage Loan and the Oak Brook Loan, as applicable, (c) with respect to the steps in Sections 2.4(f) and (g), the plans of liquidation, and any related resolutions and agreements, governing the liquidation of Oak Brook LP, Oak Brook LLC I and Oak Brook LLC II, as applicable, and the distribution of the net assets of each such Person on its respective liquidation by way of the conveyance of assets and the assumption of liabilities, and (d) with respect to the step in Section 2.4(i), the purchase and sale agreement between the REIT and Purchaser LP Subsidiary governing the sale of all of the issued and outstanding shares in the capital of Oak Brook Holdings to Purchaser LP Subsidiary, in each case as set forth in the Pre-Closing Notice.

1.2 Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in, and all payments provided for herein shall be made in, Canadian currency and "Cdn.$" or "$" refers to Canadian dollars.

1.3 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.4 Unless reference is specifically made to some other document or instrument, all references herein to "Articles" and "Sections" are to articles and sections of this Plan of Arrangement.

1.5 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders. Wherever the term "includes" or "including" is used, it shall be deemed to mean "includes, without limitation" or "including, without limitation", respectively.

1.6 In the event that the date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.7 A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Plan of Arrangement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

1.8 References to time herein or in any Letter of Transmittal and Election Form are to local time, Toronto, Ontario, Canada.

1.9 Any reference to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or reenacted, unless stated otherwise.

ARTICLE 2.
THE ARRANGEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to and subject to the provisions of the Arrangement Agreement.

2.2 Binding Effect

This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issue of the Certificate of Arrangement, if any, shall become effective at the Effective Time, and shall be binding on the Purchaser, the REIT, Eastern GP, Subsidiaries of the Purchaser and the REIT, all registered holders and beneficial owners of the Units, including Dissenting Units and Restricted Units, all holders and beneficial owners of Debentures, the registrar and transfer agent of each of the REIT and the Purchaser, the Depositary, Computershare as debenture trustee for the Debentures and all other Persons, at and after the Effective Time, without any further act or formality required on the part of any Person.

2.3 The Articles of Arrangement and the Certificate of Arrangement shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Section 2.4 has become effective in the sequence and at the times set out therein. If no Certificate of Arrangement is required to be issued by the Director pursuant to subsection 183(2) of the OBCA, the Arrangement shall become effective on the date that the Articles of Arrangement are sent to the Director pursuant to subsection 183(1) of the OBCA.

2.4 Arrangement

Commencing at 10:00 p.m. on the Business Day immediately preceding the Effective Date, each of the steps set out below shall occur in the following order without any further act or formality, with each such step occurring two minutes after the completion of the immediately preceding step:

(a) The REIT shall cause Oak Brook LP to sell to Purchaser US Subsidiary the Oak Brook Property for the Oak Brook Property Purchase Price, and Purchaser US Subsidiary shall satisfy the Oak Brook Property Purchase Price by a cash payment and the assumption by Purchaser US Subsidiary of liabilities associated with the property (other than the Oak Brook Internal Mortgage Loan), pursuant to and in accordance with the US Documents.

(b) The REIT shall cause Oak Brook LP to repay in full to Oak Brook Holdings the outstanding principal amount of the Oak Brook Internal Mortgage Loan, all accrued and unpaid interest thereon and any other amounts payable thereunder on account of early repayment thereof, by a cash payment of such amount to Oak Brook Holdings, and the Oak Brook Internal Mortgage shall be discharged, pursuant to and in accordance with the US Documents.

Commencing at the Effective Time, each of the steps set out below shall occur in the following order without any further act or formality, with each step occurring two minutes after the completion of the immediately preceding step:

(c) Notwithstanding the terms of the Unitholder Rights Plan, the Unitholder Rights Plan shall be terminated and all rights issued pursuant to the Unitholder Rights Plan, if any, shall be cancelled without any payment in respect thereof.

(d) The REIT Declaration of Trust, and the Constating Documents of each other REIT Entity participating in the transactions below, shall be amended to the extent necessary to facilitate the Arrangement and the implementation of the steps and transactions described herein. Without limiting the generality of the foregoing, such amendments shall include, among other things, an amendment to permit the redemption of Units as contemplated in the steps in Sections 2.4(t), (u), (w) and (x) and the allocation of the Income Allocated on the Cash Redemptions in Sections 2.4(t) and (u).

(e) The REIT shall transfer to Eastern GP Parentco all of the issued and outstanding shares in the capital of Eastern GP in exchange for the issuance by Eastern GP Parentco of one common share in the capital of Eastern GP Parentco.

(f) If set forth in the Pre-Closing Notice and at the time specified therein, the REIT shall cause Oak Brook LP to be liquidated, and its net assets to be distributed to Oak Brook LLC I and Oak Brook LLC II, pursuant to and in accordance with the US Documents.

(g) If set forth in the Pre-Closing Notice and at the time specified therein, the REIT shall cause:

(i) Oak Brook LLC I to be liquidated, and its net assets to be distributed to Oak Brook Holdings, pursuant to and in accordance with the US Documents; and

(ii) Oak Brook LLC II to be liquidated, and its net assets to be distributed to Oak Brook Holdings, pursuant to and in accordance with the US Documents.

(h) The REIT shall cause Oak Brook Holdings to repay in full to the REIT the outstanding principal amount of the Oak Brook Loan, all accrued and unpaid interest thereon and any other amounts payable thereunder on account of early repayment thereof, by a cash payment of such amount to the REIT, pursuant to and in accordance with the US Documents.

(i) The REIT shall transfer to Purchaser LP Subsidiary all of the issued and outstanding shares in the capital of Oak Brook Holdings for the Oak Brook Holdings Purchase Price, and Purchaser LP Subsidiary shall satisfy the Oak Brook Holdings Purchase Price:

(i) as to the amount equal to the amount, if any, set forth in the Pre-Closing Notice, by a cash payment equal to such amount; and

(ii) as to the balance, by the issuance to the REIT of the Purchaser LP Subsidiary First Consideration Note;

all pursuant to and in accordance with the US Documents.

(j) The REIT shall transfer to REIT LP Subsidiary the REIT Investments for the REIT Investments Purchase Price, and REIT LP Subsidiary shall satisfy the REIT Investments Purchase Price:

(i) as to the amount equal to the Additional Cash Amount, by the issuance to the REIT of a demand non-interest bearing promissory note with a principal amount equal to the Additional Cash Amount (the "**REIT LP Subsidiary Consideration Note**"); and

(ii) as to the balance, by the issuance to the REIT of a number of REIT LP Subsidiary Units, including any fraction thereof, equal to the number obtained when: (A) an amount equal to the REIT Investments Purchase Price less the Additional Cash Amount, is divided by (B) the REIT LP Subsidiary Unit Price.

The consideration paid by REIT LP Subsidiary in exchange for the REIT Investments will be allocated in the manner agreed to by the REIT and REIT LP Subsidiary as set forth in the Pre-Closing Notice.

(k) The REIT shall transfer to Purchaser LP Subsidiary the Loan Receivables for the Loan Receivables Purchase Price, and Purchaser LP Subsidiary shall satisfy the Loan Receivables Purchase Price by a cash payment of such amount to the REIT.

(l) The REIT shall repay in full to the creditors under the Third Party Debt the outstanding principal amount of the Third Party Debt, and all accrued and unpaid interest thereon, by a cash payment of such amount to such creditors, and the related security shall be discharged.

(m) The Purchaser shall pay out, as a special distribution on the Purchaser Units, the amount, if any, that is determined by it prior to the Effective Time to be equal to its *bona fide* best estimate, as set forth in the Pre-Closing Notice, of the amount, if any, of its Taxable

Income for the taxation year of the Purchaser that shall be deemed, by section 132.2 of the Tax Act, to end as a result of the QE Transactions (such amount to be reduced to take into account any deductions under subsection 104(6) of the Tax Act in respect of prior distributions during that period). The Purchaser shall satisfy the special distribution:

(i) as to the amount equal to the amount set forth in the Pre-Closing Notice, by a cash payment equal to that amount; and

(ii) as to the balance, if any, by the issuance of a number of Purchaser Units, including any fraction thereof, having an aggregate fair market value equal to the balance of such special distribution, and the number of outstanding Purchaser Units shall then be consolidated such that each holder of Purchaser Units shall hold, immediately after the consolidation, the same number of Purchaser Units as such holder held immediately prior to the issuance of Purchaser Units in this step.

(n) The REIT shall pay out, as a special distribution on the Units, the amount, if any, that is determined by it prior to the Effective Time to be equal to its *bona fide* best estimate, as set forth in the Pre-Closing Notice, of the amount, if any, of its Taxable Income, excluding the Income Allocated on the Cash Redemptions, for the taxation year of the REIT that shall be deemed, by section 132.2 of the Tax Act, to end as a result of the QE Transactions (such amount to be reduced to take into account any deductions under subsection 104(6) of the Tax Act in respect of prior distributions during that taxation year of the REIT). The REIT shall satisfy the special distribution:

(i) as to the amount equal to the amount set forth in the Pre-Closing Notice, by a cash payment equal to that amount; and

(ii) as to the balance, if any, by the issuance of a number of Units, including any fraction thereof, having an aggregate fair market value equal to the balance of such special distribution, and the number of outstanding Units shall then be consolidated such that each holder of Units shall hold, immediately after the consolidation, the same number of Units as such holder held immediately prior to the issuance of Units in this step.

(o) Purchaser LP Subsidiary shall make a loan to REIT LP Subsidiary having a principal amount equal to the Aggregate Cash Consideration, and terms and conditions as set forth in the Pre-Closing Notice.

(p) REIT LP Subsidiary shall repay in full to the REIT the aggregate outstanding principal amounts of the Internal Debt and the REIT LP Subsidiary Consideration Note, and any accrued and unpaid interest thereon, by a cash payment of such amount to the REIT, and the promissory notes in respect of the Internal Debt and the REIT LP Subsidiary Consideration Note shall be cancelled.

(q) REIT LP Subsidiary shall purchase a number of REIT LP Subsidiary Units for cancellation, including any fraction thereof, equal to the number, if positive, obtained when: (i) the Aggregate Cash Consideration, less the amount paid by REIT LP Subsidiary in the step in Section 2.4(p), is divided by (ii) the REIT LP Subsidiary Unit Price, for a purchase price equal to the amount described in this Section 2.4(q)(i), and REIT LP Subsidiary shall satisfy the purchase price by a cash payment of such amount to the REIT and such purchased REIT LP Subsidiary Units shall be cancelled.

(r) The REIT shall transfer to Purchaser LP Subsidiary a number of REIT LP Subsidiary Units, including any fraction thereof, equal to the number obtained when: (i) the Debenture Amount, is divided by (ii) the REIT LP Subsidiary Unit Price, in exchange for the issuance by Purchaser LP Subsidiary to the REIT of the Purchaser LP Subsidiary Second Consideration Notes.

(s) The Purchaser, or a Person designated by the Purchaser as set forth in the Pre-Closing Notice, shall subscribe for one Unit for a subscription price equal to the Cash Consideration, and the Purchaser or such designated Person, as applicable, shall satisfy the subscription price by a cash payment of such amount to the REIT.

(t) Each Dissenting Unit held by a Dissenting Unitholder described in Section 4.1(a) shall be redeemed by the REIT in exchange, subject to Section 3.9, for a debt claim against the REIT for the amount determined under Article 4, and each such Unit shall be cancelled. The portion of such amount that is equal to the product of the Income Allocated on the Cash Redemptions and a fraction, the numerator of which is the aggregate number of Dissenting Units held by holders described in this Section 2.4(t) and the denominator of which is the aggregate number of Units redeemed by the REIT pursuant to Sections 2.4(t) and (u), shall be designated by the REIT as being payable from the Taxable Income of the REIT for the taxation year of the REIT that shall be deemed, by section 132.2 of the Tax Act, to end as a result of the QE Transactions *pro rata* to the Unitholders described in this Section 2.4(t), with the Dissenting Unitholder's right to enforce payment of such amount included in the amount of the debt claim against the REIT provided for in this Section 2.4(t).

(u) Each Unit in respect of which a Unitholder is entitled to receive Cash Consideration in accordance with and subject to the provisions of Sections 3.1 and 3.2, shall be redeemed by the REIT in exchange for, subject to Section 3.9, a cash payment equal to the Cash Consideration, and each such Unit shall be cancelled. The portion of the cash payment under this Section 2.4(u) that is equal to the product of the Income Allocated on the Cash Redemptions and a fraction, the numerator of which is the aggregate number of Units held by holders described in this Section 2.4(u) and the denominator of which is the aggregate number of Units redeemed by the REIT pursuant to Sections 2.4(t) and (u), shall be designated by the REIT as being paid from the Taxable Income of the REIT for the taxation year of the REIT that shall be deemed, by section 132.2 of the Tax Act, to end as a result of the QE Transactions *pro rata* to the Unitholders described in this Section 2.4(u).

(v) Pursuant to and in accordance with the definition "qualifying exchange" in section 132.2 of the Tax Act, the REIT shall transfer to the Purchaser all of the right, title and interest of the REIT in and to all of its property, including, for greater certainty, all of the REIT LP Subsidiary Units then held by the REIT, the beneficial interests of the REIT in REIT LP Subsidiary GP, all of the issued and outstanding shares in the capital of Eastern GP Parentco, the Purchaser LP Subsidiary First Consideration Note and the Purchaser LP Subsidiary Second Consideration Notes (the "**QE Transfer**"), but excluding the cash subscription proceeds received by the REIT in the step in Section 2.4(s) and any other property or assets as set forth in the Pre-Closing Notice, in exchange for:

(i) the issuance by the Purchaser to the REIT of a number of Purchaser Units (the "**Payment Units**") that is equal to the product obtained by multiplying:

(A) the Non-Cash Consideration; by

(B) the number of Units then outstanding (for greater certainty, the number outstanding after taking into account the cancellation of Units in the steps set out in Sections 2.4(t) and (u)) but excluding the Unit acquired by the Purchaser or the Person designated by the Purchaser pursuant to Section 2.4(s);

(ii) the assumption by the Purchaser of the due and punctual payment of the Debentures as sole obligor, including the agreement to perform substantially all of the covenants of the REIT thereunder and under the Indenture as the successor to the REIT by the execution and delivery of the Fifth Supplemental Indenture and the release of the REIT from all of its covenants in relation to the Debentures and the Indenture; and

(iii) the assumption by the Purchaser of all other liabilities and obligations of the REIT, including all debt claims against the REIT, if any, arising on the step in Section 2.4(t) and any obligations of the REIT under the Restricted Unit Plan, but excluding the liabilities and obligations assumed pursuant to the step in Sections 2.4(v)(ii) above and any other liabilities and obligations as set forth in the Pre-Closing Notice.

The consideration paid by the Purchaser in exchange for the assets acquired on the QE Transfer will be allocated in the manner agreed to by the REIT and the Purchaser as set forth in the Pre-Closing Notice.

(w) Pursuant to and in accordance with the definition "qualifying exchange" in section 132.2 of the Tax Act, the REIT shall redeem each Unit then outstanding (for greater certainty, the number outstanding after taking into account the cancellation of Units in the steps in Sections 2.4(t) and (u)), other than the Restricted Units and the Unit held by the Purchaser or the Person designated by the Purchaser pursuant to Section 2.4(s) (the "**QE Redemption**"), in exchange for, subject to Section 3.5(b), the Non-Cash Consideration, and each such Unit shall be cancelled.

(x) Pursuant to and in accordance with the definition of "qualifying exchange" in section 132.2 of the Tax Act, the REIT shall redeem each Restricted Unit then outstanding (the "**RU Redemption**"), in exchange for, subject to Section 3.5(b), the Non-Cash Consideration, and each such Restricted Unit shall be cancelled.

(y) Eastern GP Parentco shall resolve to voluntarily dissolve Eastern GP in accordance with section 193 of the OBCA and, in connection therewith, Eastern GP shall transfer and assign all of its property to Eastern GP Parentco and Eastern GP Parentco shall assume all of the liabilities and obligations of Eastern GP.

(z) The releases and resignations referred to in Article 5 shall become effective.

For greater certainty, none of the foregoing steps shall occur unless all of the foregoing steps occur.

ARTICLE 3.
ELECTION, CONSIDERATION, REGISTERS AND CERTIFICATES

3.1 Election in respect of the Consideration to be received for Exchange of the Units

(a) Subject to Section 3.2 and the other provisions of this Article 3, each Unitholder, other than a holder of Restricted Units in respect of such Restricted Units, will be entitled, with respect to each Unit held by such Unitholder at the Effective Time, to make an election at or prior to the Election Deadline to receive:

(i) Cash Consideration; or

(ii) Non-Cash Consideration.

(b) For the avoidance of doubt, a Unitholder may elect to receive Cash Consideration for any whole number of Units held by such Unitholder at the Effective Date and Non-Cash Consideration for the remainder of the Units held by such Unitholder at the Effective Date.

3.2 Pro-Ration Mechanics

(a) The amount of consideration per Unit payable by the REIT under the Arrangement in cash is $53.75 (the "**Cash Consideration**"). The maximum amount of consideration payable by the REIT in cash to Unitholders under the Arrangement is $1,651,532,198 (the "**Aggregate Cash Consideration**"), calculated on the assumption that if the Dissenting Unitholders are ultimately entitled to be paid fair value for their Dissenting Units as contemplated in Section 4.1(a), the fair value per Dissenting Unit is equal to the Cash Consideration. The amount equal to the Aggregate Cash Consideration less the Dissent Amount is referred to herein as the "**Aggregate Net Cash Consideration**."

(b) If the product of the Cash Consideration and the number of Units represented by Cash Electing Unitholders (disregarding any increase or decrease pursuant to this Section 3.2) (such amount being the "**Elected Cash**") exceeds the Aggregate Net Cash Consideration, then:

(i) the number of Units for which a Cash Electing Unitholder has elected or deemed to have elected to receive Cash Consideration (disregarding any reduction pursuant to this Section 3.2) shall be reduced to that number of whole Units (rounded down to the nearest whole Unit) equal to the product of that number of Units in respect of which such holder has elected to receive Cash Consideration and a fraction, the numerator of which is the Aggregate Net Cash Consideration and the denominator of which is the Elected Cash; and

(ii) the number of Units for which a Cash Electing Unitholder shall be entitled to receive Non-Cash Consideration shall be increased by that number (the "**Increase Number**") of Units equal to the difference between the number of Units for which the holder elected to receive Cash Consideration and the number of Units determined in accordance with Section 3.2(b)(i) above.

(c) If the Elected Cash is less than the Aggregate Net Cash Consideration (such difference being the "**Cash Difference**"), then:

(i) the number of the Elected Units of a Unit Electing Unitholder (disregarding any reduction pursuant to this Section 3.2) shall be reduced by that number of whole Elected Units (rounded down to the nearest whole Unit) equal to the product obtained when: (A) a fraction, the numerator of which is equal to the Cash Difference and the denominator of which is equal to the Cash Consideration, is multiplied by (B) a fraction, the numerator of which is the number of Elected Units of such Unit Electing Unitholder and the denominator of which is the total number of Elected Units of all Unit Electing Unitholders; and

(ii) the number of Units for which a Unit Electing Unitholder shall receive Cash Consideration shall be increased by that number of Units equal to the number of Units determined in accordance with Section 3.2(c)(i) above.

(d) For the avoidance of doubt, the Units to be redeemed in exchange for Cash Consideration pursuant to the step in Section 2.4(u) shall consist of the number of Units of a Unitholder determined in accordance with Section 3.1(a) as adjusted pursuant to this Section 3.2.

(e) For greater certainty, the Restricted Units shall not be subject to proration under this Section 3.2.

3.3 Method of Election and Deemed Election

(a) The election to receive Cash Consideration or Non-Cash Consideration with respect to a particular Unit, other than a Restricted Unit, shall be made by the Unitholders entitled to make such election by depositing with the Depositary, prior to the Election Deadline, a Letter of Transmittal and Election Form, duly completed and executed in the manner described therein, with such election indicated therein, together with the unit certificates representing such Unitholders' Units, and accompanied by such other documents and instruments as the Depositary may reasonably require.

(b) If a valid election has not been made by or on behalf of a Unitholder, other than in respect of any Restricted Units, at or prior to the Election Deadline, such Unitholder shall be deemed to have elected to receive only Cash Consideration in exchange for each of such Unitholder's Units pursuant to the provisions hereof including Section 3.1 and Section 3.2.

(c) A holder of Restricted Units shall be deemed to have elected to receive only Non-Cash Consideration in exchange for such holder's Restricted Units.

3.4 Registers of Holders and Certificates for Purchaser Units and Units

(a) In connection with the steps involving Units or Purchaser Units:

(i) Effective at the time of the step in Section 2.4(t): (i) the holders of Dissenting Units redeemed in this step shall cease to be the holders of such Dissenting Units and to have any rights as holders of such Units, other than, subject to Section 3.9, the right to be paid fair value, as determined under Section 4.1(a), for such Units, (ii) the Dissenting Unitholders' names shall be removed as the holders of such Dissenting Units from the registers of the Units maintained by or on behalf of the REIT, and (iii) the REIT shall be deemed to be the transferee of and to have redeemed such Dissenting Units (free and clear of all Liens).

(ii) Effective at the time of the step in Section 2.4(u): (i) holders of Units redeemed in this step shall cease to be the holders of such Units and to have any rights as holders of such Units, other than, subject to Section 3.9, the right to receive the Cash Consideration for such Units, (ii) such holders' names shall be removed as the holders of such Units from the registers of the Units maintained by or on behalf of the REIT, and (iii) the REIT shall be deemed to be the transferee of and to have redeemed such Units (free and clear of all Liens).

(iii) Effective at the time of the step in Section 2.4(v), the REIT shall be deemed to be the owner of the Payment Units (free and clear of all Liens) and shall be entered in the registers of the Purchaser Units maintained by or on behalf of the Purchaser.

(iv) Effective at the time of the step in Section 2.4(w): (i) holders of Units redeemed in this step shall cease to be the holders of such Units and to have any rights as holders of such Units, other than, subject to Section 3.5(b), the right to receive the Non-Cash Consideration for such Units, (ii) such holders' names shall be removed as the holders of such Units from the registers of the Units maintained by or on behalf of the REIT, and (iii) the REIT shall be deemed to be the transferee of and to have redeemed such Units (free and clear of all Liens).

(v) Effective at the time of the step in Section 2.4(w), holders of Units redeemed in this step shall be deemed to be the owners of the whole number of Purchaser Units representing the Non-Cash Consideration (free and clear of all Liens) and delivered to such holder as contemplated in Section 3.5(b) and shall be entered in the registers of the Purchaser Units maintained by or on behalf of the Purchaser.

(vi) Effective at the time of the step in Section 2.4(x): (i) holders of Restricted Units redeemed in this step shall cease to be the holders of such Restricted Units and to have any rights as holders of such Restricted Units, other than, subject to Section 3.5(b), the right to receive the Non-Cash Consideration for such Restricted Units, (ii) such holders' names shall be removed as the holders of such Restricted Units from the registers of the Units maintained by or on behalf of the REIT, and (iii) the REIT shall be deemed to be the transferee of and to have redeemed such Restricted Units (free and clear of all Liens).

(vii) Effective at the time of the step in Section 2.4(x): (i) holders of Restricted Units redeemed in this step shall be deemed to be the owners of the whole number of Purchaser Units representing the Non-Cash Consideration (free and clear of all Liens, other than as set out in Section 3.4(a)(vii)(ii) below) and delivered to such holder as contemplated in Section 3.5(b) and shall be entered in the registers of the Purchaser Units maintained by or on behalf of the Purchaser, and (ii) the whole number of the Purchaser Units acquired under Section 2.4(x) by the former holders of Restricted Units shall be subject to the Restricted Unit Plan assumed by the Purchaser on the QE Transfer and shall be subject to the same vesting, forfeiture and disposition provisions, and such other terms and conditions, as were applicable to the Restricted Units immediately prior to the Effective Time.

(b) For greater certainty, following completion of the steps in Section 2.4, each outstanding Purchaser Unit delivered to a former Unitholder or the Depositary hereunder constitutes a validly issued "Unit", as provided in the Purchaser Declaration of Trust.

(c) After completion of the steps in Section 2.4, each certificate formerly representing Units shall represent only the right to receive, in the case of certificates held by Dissenting Unitholders described in Section 4.1(a), the fair value of the Units represented by such certificates, and, in the case of all other Unitholders, the Cash Consideration or the certificates representing Non-Cash Consideration, as the case may be, that the former Unitholder is entitled to in accordance with the terms of the Arrangement upon such Unitholder depositing with the Depositary the certificate and such other documents and instruments as the Depositary may reasonably require and subject to compliance with the requirements set forth in this Article 3.

(d) Immediately prior to the QE Transfer and continuously thereafter, the REIT and the REIT Entities shall, solely for purposes of the Contracts, be deemed to be Subsidiaries and affiliates of the Purchaser.

3.5 Payment of Consideration

(a) Following receipt of the Final Order and prior to the Effective Date:

(i) Purchaser LP Subsidiary shall deposit, or shall cause to be deposited, for the benefit of REIT LP Subsidiary, cash with the Depositary in the aggregate amount equal to the loan to be made by Purchaser LP Subsidiary pursuant to the step in Section 2.4(o); and

(ii) the Purchaser shall deposit, or shall cause to be deposited, for the benefit of the REIT, certificates or other evidence representing the Payment Units to be delivered to the REIT pursuant to the step in Section 2.4(v).

(b) With respect to the Purchaser Units to be delivered by the REIT in the steps in Sections 2.4(w) and (x):

(i) if a payment of the redemption price to a particular holder in this step is subject to withholding tax, the appropriate number of Purchaser Units shall be delivered by the REIT to the Depositary, as agent for the particular Unitholder, and the Depositary may sell those Purchaser Units to pay such withholding tax; and

(ii) the REIT shall only deliver to the former holders of the Units redeemed in those steps a whole number of Purchaser Units; such number of Purchaser Units (the "**Remaining Purchaser Units**") as is equal to the sum of the fractional Purchaser Units that Unitholders are entitled to receive under those steps, rounded down to the nearest whole number of Purchaser Units, shall be delivered by the REIT to the Depositary, as agent for the Unitholders (excluding, for the avoidance of doubt, the Purchaser), to be dealt with as specified in Section 2.12 of the Arrangement Agreement.

(c) In accordance with the timing set out in Section 2.4, the Depositary shall, in the case of the Unitholders entitled to Cash Consideration in accordance with the terms of the Arrangement, cause individual cheques (or, if requested by such Unitholders or required

by applicable Law, wire transfers) and, in the case of the Unitholders entitled to Non-Cash Consideration in accordance with the terms of the Arrangement, cause certificates representing Purchaser Units, to be sent to those Persons who have deposited the certificates for such Units and such documents and instruments required by the Depositary pursuant to Section 3.3. Such cheques, wire transfers and certificates shall be:

(i) in the case of cheques and certificates, forwarded by first class mail, postage pre-paid, to the Person and at the address specified in the relevant Letter of Transmittal and Election Form or, if no address has been specified therein, at the address specified for the particular Unitholder in the register of the Unitholders of the Units;

(ii) in the case of wire transfers, sent to an account specified in the relevant Letter of Transmittal and Election Form; or

(iii) if requested by such Unitholder in the Letter of Transmittal and Election Form, made available or caused to be made available at the Depositary for pick up by such Unitholder.

Cheques and certificates mailed pursuant hereto will be deemed to have been delivered at the time of delivery thereof to the post office.

(d) All amounts receivable by the Unitholders pursuant to the Arrangement shall be without interest and any interest earned on funds held in trust by the Depositary for the benefit of such Persons shall be for the sole benefit of the Purchaser.

(e) As regards Persons entitled to receive Purchaser Units pursuant to this Plan of Arrangement, the Depositary shall make the registrations provided in this Plan of Arrangement in the name of each Person entitled to be registered or as otherwise instructed in the Letter of Transmittal and Election Form deposited by such Person and shall deliver certificates representing Purchaser Units in accordance with Section 3.5(c) and this Section 3.5(e). In the event of a transfer of ownership of the Units that was not registered in the registers of Units maintained by or on behalf of the REIT, a certificate representing the proper number of Purchaser Units may be issued to the transferee if the certificate representing such Units is presented to the Depositary as provided above, accompanied by all documents required to evidence and effect such transfer and to evidence that any applicable Taxes have been paid.

3.6 Distributions with Respect to Unsurrendered Certificates

(a) No distributions declared or made with respect to the Units with a record date after the Effective Time shall be paid to a Unitholder for any unsurrendered certificate which immediately prior to the Effective Time represented outstanding Units.

(b) Subject to applicable Law and to Section 3.9 hereof, a former Unitholder entitled to receive Purchaser Units shall receive, in addition to the delivery of a certificate representing the Purchaser Units, a cheque for the amount of the dividend or other distribution with a record date after the Effective Time, without interest, theretofore paid with respect to such Purchaser Unit.

3.7 Lost Instruments of Certificates

In the event that any instrument or certificate which immediately prior to the Effective Time represented one or more outstanding Units that were redeemed and cancelled pursuant to Section 2.4 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Unitholder claiming such instrument or certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed instrument or certificate a certified cheque representing the appropriate aggregate amount of Cash Consideration deliverable to such Unitholder or a certificate representing the Non-Cash Consideration, as applicable, deliverable to such Unitholder in accordance with the provisions of Sections 3.5(c) and (e). When authorizing such payment in exchange for any lost, stolen or destroyed instrument or certificate, the Unitholder to whom such payment is to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to the Purchaser, the REIT and the Depositary in such sum as the Purchaser, the REIT or the Depositary may direct, acting reasonably, or otherwise indemnify the Purchaser, the REIT and the Depositary in a manner satisfactory to the Purchaser, the REIT and the Depositary, acting reasonably, against any claim that may be made against the Purchaser, the REIT or the Depositary with respect to the instrument or certificate alleged to have been lost, stolen or destroyed.

3.8 Extinction of Rights

If any instrument or certificate which immediately prior to the Effective Time represented outstanding Units that were redeemed and cancelled pursuant to Section 2.4 (or an affidavit of loss and bond or other indemnity pursuant to Section 3.7), together with such other documents or instruments that are required to be delivered by such former Unitholder in order to receive payment for its Units and all other instruments required by Section 3.4(c), are not deposited on or prior to the sixth anniversary of the Effective Date, such instrument and certificate shall cease to represent a claim or interest of any kind or nature against the REIT and the Purchaser. On such date, the aggregate Cash Consideration and Non-Cash Consideration to which the former Unitholder referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered for no consideration to the Purchaser and shall be returned to the Purchaser by the Depositary.

3.9 Withholding Rights

The Purchaser, the REIT and the Depositary, as applicable, shall be entitled to deduct or withhold from any payment to any Person pursuant to this Plan of Arrangement such amounts as it is required to deduct or withhold or is required to deduct and withhold with respect to such payment under the Tax Act or any provision of any Law and remit such deduction and withholding amount to the appropriate Governmental Entity. To the extent that amounts are so properly deducted or withheld, such deducted or withheld amounts shall be treated for all purposes of this Agreement and the Arrangement as having been paid to the person to whom such amounts would otherwise have been paid, provided that such withheld amounts are actually remitted to the appropriate Governmental Entity.

3.10 Adjustments to Non-Cash Consideration

The number of Purchaser Units comprising the Non-Cash Consideration shall be adjusted to reflect fully the effect of any unit split, reverse split, issuance of units (including any units issued in satisfaction of any amounts made payable to holders of Purchaser Units or Units or the issuance of Purchaser Units or Units on a conversion of securities convertible into such units),

consolidation, reorganization, recapitalization or other like change with respect to Purchaser Units or Units occurring after the date of the Arrangement Agreement and prior to the Effective Time, or with a record date prior to the Effective Time and occurring after the Effective Time.

ARTICLE 4.
DISSENTING UNITHOLDERS

4.1 Dissent Rights

Subject to Section 4.2, each registered holder of Units may exercise dissent rights with respect to the Units held by such holder ("**Dissent Rights**") in connection with the Arrangement pursuant to and in the manner set forth in the Interim Order, as modified by this Article 4; provided that, notwithstanding the procedures set forth in the REIT Declaration of Trust as applicable under the Interim Order, the written objection to the Arrangement Resolution must be received by the REIT not later than 5:00 p.m. two Business Days immediately preceding the date of the Meeting (as it may be adjourned or postponed from time to time). The Dissenting Units held by Dissenting Holders who validly exercise their Dissent Rights shall be redeemed by the REIT as provided in Section 2.4 and if they:

(a) ultimately are entitled to be paid fair value for such Dissenting Units shall: (i) in respect of such Dissenting Units be treated as not having participated in the transactions in Article 2, other than Section 2.4(t), (ii) be entitled to be paid, subject to Section 3.9, the fair value of such Dissenting Units by the REIT, which fair value shall be determined as of the close of business on the day before the Arrangement Resolution was adopted at the Meeting, and (iii) not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Dissenting Units; or

(b) ultimately are not entitled, for any reason, to be paid fair value for such Dissenting Units, shall in respect of such Dissenting Units be treated as having participated in the Arrangement as if such Dissenting Unitholder had not dissented and had elected to receive Cash Consideration for such Dissenting Units, including being subject to pro-ration on the same basis as Cash Electing Unitholders pursuant to Section 3.2.

4.2 Recognition of Dissenting Unitholders

In no circumstances shall the Purchaser, the REIT or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those Units in respect of which such rights are sought to be exercised. For greater certainty, in no case shall the Purchaser, the REIT or any other Person be required to recognize a Dissenting Unitholder as a holder of Units in respect of which Dissent Rights have been validly exercised after the completion of the redemptions in the steps in Sections 2.4(t) and (u). In addition to any other restrictions in the REIT Declaration of Trust as applicable under the Interim Order, any Person who has voted in favour of the Arrangement shall not be entitled to exercise Dissent Rights, and holders of Debentures and holders of Restricted Units shall not be entitled to exercise Dissent Rights in respect of Debentures and Restricted Units, respectively.

ARTICLE 5.
RELEASES AND RESIGNATIONS

5.1 At the Effective Time and in accordance with the sequence of steps set out in Section 2.4, each of the REIT Released Parties will be released and discharged from any and all demands, claims, liabilities, indemnities, indebtedness, obligations, causes of action, debts, accounts, covenants, damages, executions and other recoveries based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place including, those arising by contract, at common law, by statute or otherwise howsoever, on or prior to and including the Effective Time of any of (a) the Unitholders, or (b) the holders of Debentures, relating to, arising out of, or in connection with, the REIT, including control thereof, the REIT Entities, the business or assets directly or indirectly owned by the REIT, any securities of the REIT Entities, this Plan of Arrangement and any proceedings commenced with respect to or in connection with this Plan of Arrangement; provided that: (i) nothing in this paragraph will release or discharge any of the REIT Released Parties from or in respect of its obligations under or any other terms of this Plan of Arrangement, any documents executed in connection herewith or the Final Order (including, any consideration payable hereunder or thereunder); (ii) nothing herein will release or discharge a REIT Released Party to the extent such REIT Released Party has admitted to having committed, or is determined by a court of competent jurisdiction or regulatory or self-regulatory body to have committed, gross negligence, fraud or wilful misconduct; (iii) nothing herein will release or discharge a REIT Released Party with respect to claims that any director, trustee, officer, employee, former director, former trustee, former officer or former employee of any REIT Entity may have under an indemnification or employment agreement, organizational documents of the applicable REIT Entity or otherwise; and (iv) the auditors, financial advisors and legal counsel of the REIT Entities shall be released and discharged only with respect to matters relating to, arising out of, or in connection with, this Plan of Arrangement, including the transactions contemplated hereby, and any proceedings commenced with respect to or in connection with this Plan of Arrangement.

5.2 At the effective time of the step in Section 2.4(z), all trustees of the REIT shall be deemed to have resigned from such positions and to have been replaced by the new trustees specified in the Pre-Closing Notice but, for greater clarity, nothing in this Section 5.2 shall affect the status or role of any of them insofar as they are officers of such or any other entity.

ARTICLE 6.
AMENDMENTS

6.1 The Purchaser, Eastern GP and the REIT may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be: (a) set out in writing, (b) approved by the Purchaser, Eastern GP and the REIT, (c) filed with the Court and, if made following the Meeting, approved by the Court; and (d) communicated to holders of the Units if and as required by the Court.

6.2 Any amendment, modification and/or supplement to this Plan of Arrangement may be proposed by the Purchaser, Eastern GP or the REIT at any time prior to the Meeting (provided that the Purchaser, Eastern GP and the REIT shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

6.3 Any amendment, modification and/or supplement to this Plan of Arrangement that is approved or directed by the Court following the Meeting shall be effective only if: (a) it is consented to in writing by each of the Purchaser, Eastern GP and the REIT (in each case, acting reasonably), and (b) if required by the Court, it is consented to by some or all of the Unitholders voting in the manner directed by the Court.

6.4 Any amendment, modification and/or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Purchaser, provided that it concerns a matter which, in the reasonable opinion of the Purchaser, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and in no way is adverse to the economic interests of the former Unitholders or holders of Debentures and such amendments, modifications or supplements to the Plan of Arrangement need not be filed with the Court or communicated to Unitholders.

6.5 This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

ARTICLE 7.
PARAMOUNTCY

7.1 From and after the Effective Time:

(a) this Plan of Arrangement shall take precedence and priority over the terms of any and all Units, and Debentures issued prior to the Effective Time;

(b) the rights and obligations of the registered holders of Units, the holders of Debentures, and the Purchaser of the REIT, the Purchaser, Eastern GP, Subsidiaries of the REIT, and any transfer agent or other depositary therefor in relation thereto, shall be governed by and subject to this Plan of Arrangement; and

(c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Units, and Debentures shall be deemed to have been settled, compromised, released and determined without liability except as set forth herein.

ARTICLE 8.
FURTHER ASSURANCES

8.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out herein. The Purchaser, Eastern GP and the REIT may agree not to implement this Plan of Arrangement, notwithstanding the passing of the Arrangement Resolution and receipt of the Final Order.

APPENDIX E
FAIRNESS OPINION

RBC Capital Markets®

RBC Dominion Securities Inc.
P.O. Box 50
Royal Bank Plaza
Toronto, Ontario M5J 2W7
Telephone: (416) 842-2000

February 14, 2018

The Board of Trustees
Canadian Real Estate Investment Trust
175 Bloor Street East
North Tower – Suite 500
Toronto, Ontario M4W 3R8

To the Board:

RBC Dominion Securities Inc. ("RBC"), a member company of RBC Capital Markets, understands that Canadian Real Estate Investment Trust (the "Trust"), CREIT Eastern GP Inc. and Choice Properties Real Estate Investment Trust ("Choice Properties") propose to enter into an agreement to be dated February 14, 2018 (the "Arrangement Agreement") to effect a plan of arrangement (the "Arrangement") under the *Business Corporations Act* (Ontario) and the *Trustee Act* (Ontario) pursuant to which Choice Properties will acquire all of the Trust's assets and assume all of its liabilities, including long-term debt and all residual liabilities (other than certain credit facilities of the Trust that will be repaid in connection with the Arrangement), and the Trust will then redeem all of its outstanding units (the "Units"). Under the terms of the Arrangement, the holders of Units (the "Unitholders") will receive, for each Unit held, either (i) $53.75 in cash, or (ii) 4.2835 units of Choice Properties (the "Choice Properties Units") at the election of each Unitholder and subject to pro ration as set out in the Arrangement. The terms of the Arrangement will be more fully described in a management information circular (the "Circular"), which will be mailed to Unitholders in connection with the Arrangement.

RBC also understands that the Trust, Choice Properties and Loblaw Companies Limited ("Loblaw"), the controlling unitholder of Choice Properties with an effective approximately 82% voting interest, propose to enter into an agreement to be dated February 14, 2018 (the "Voting Agreement") pursuant to which, among other things, Loblaw has agreed to support the issuance of Choice Properties Units in connection with the Arrangement.

RBC further understands that Loblaw has agreed to convert all of the outstanding Class C LP units of Choice Properties Limited Partnership ("Choice Properties LP") with a face value of $925 million ("Class C LP Units") into Class B LP Units of Choice Properties LP ("Class B LP Units"), and in certain circumstances cash, on closing of the Arrangement. Each Class C LP Unit will be valued at $10.00 and the Class B LP Units issuable will be valued at the 20-day volume-weighted average price of Choice Properties Units on the TSX calculated as of the end of the trading day prior to closing. Choice Properties LP will issue a maximum of approximately 70.9 million Class B LP Units upon the conversion of the Class C LP Units and will pay any shortfall in value on closing in cash.

The Trust has retained RBC to provide advice and assistance to the board of trustees (the "Board") of the Trust in evaluating the Arrangement, including the preparation and delivery to the Board of RBC's opinion (the "Fairness Opinion") as to the fairness of the consideration under the Arrangement from a financial point of view to the Unitholders. RBC has not prepared a valuation of the Trust, Choice

Properties, Choice Properties LP or any of their respective securities or assets and the Fairness Opinion should not be construed as such.

Engagement

The Trust initially contacted RBC regarding a potential advisory assignment in January 2018, and RBC was formally engaged by the Trust through an agreement between the Trust and RBC (the "Engagement Agreement") dated January 17, 2018. The terms of the Engagement Agreement provide that RBC is to be paid a fee for its services as financial advisor, including fees that are contingent on completion of the Arrangement or certain other events. In addition, RBC is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by the Trust in certain circumstances. RBC consents to the inclusion of the Fairness Opinion in its entirety and a summary thereof in the Circular and to the filing thereof, as necessary, by the Trust with the securities commissions or similar regulatory authorities in each province of Canada.

Relationship With Interested Parties

Neither RBC, nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of the Trust, Choice Properties or any of their respective associates or affiliates. RBC has not been engaged to provide any financial advisory services nor has it participated in any financing involving the Trust, Choice Properties or any of their respective associates or affiliates, within the past two years, other than the services provided under the Engagement Agreement and as described herein. In the past two years, RBC has been engaged in the following capacities for the Trust: (i) financial advisor on the sale of its St. Albert Square property in Alberta in August 2017; and (ii) lead bookrunner on a $125 million unsecured debenture offering in April 2017. In the past two years, RBC has been engaged in the following capacities for Choice Properties and its associates and affiliates: (i) lead bookrunner of concurrent $300 million and $350 million unsecured debenture offerings in January 2018; (ii) bookrunner of concurrent $250 million and $100 million unsecured debenture offerings in March 2016; and (iii) financial advisor to Loblaw on the sale of its gas station operations in July 2017. There are no understandings, agreements or commitments between RBC and the Trust, Choice Properties or any of their respective associates or affiliates with respect to any future business dealings. RBC may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for the Trust, Choice Properties or any of their respective associates or affiliates. Royal Bank of Canada, controlling shareholder of RBC, provides banking services to the Trust, Choice Properties and certain of their respective associates and affiliates in the normal course of business.

RBC acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Trust, Choice Properties or any of their respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, RBC conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Trust, Choice Properties or the Arrangement.

Credentials of RBC Capital Markets

RBC is one of Canada's largest investment banking firms, with operations in all facets of corporate and government finance, corporate banking, mergers and acquisitions, equity and fixed income sales and trading and investment research. RBC Capital Markets also has significant operations in the United States and internationally. The Fairness Opinion expressed herein represents

the opinion of RBC and the form and content herein have been approved for release by a committee of its directors, each of whom is experienced in merger, acquisition, divestiture and fairness opinion matters.

Scope of Review

In connection with our Fairness Opinion, we have reviewed and relied upon or carried out, among other things, the following:

1. the most recent draft, dated February 14, 2018, of the Arrangement Agreement;
2. the most recent draft, dated February 14, 2018, of the Voting Agreement;
3. the most recent draft, dated February 14, 2018, of the voting and support agreement to be entered into by each of the trustees and certain of the officers of the Trust;
4. audited financial statements of the Trust and Choice Properties for each of the four years ended December 31, 2013, 2014, 2015 and 2016 and draft unaudited financial statements for the year ended December 31, 2017;
5. unaudited interim reports of the Trust and Choice Properties for the quarters ended March 31, 2017, June 30, 2017 and September 30, 2017;
6. the Management Information Circular of the Trust for the year ended December 31, 2015 and the Notice of Annual and Special Meeting of Unitholders and Management Information Circular of the Trust for the year ended December 31, 2016;
7. the Notice of Annual Meeting of Unitholders and Management Proxy Circular of Choice Properties for each of the two years ended December 31, 2015 and 2016;
8. annual information forms of the Trust and Choice Properties for each of the two years ended December 31, 2015 and 2016;
9. the draft portfolio summary for both income producing properties and properties under development of the Trust prepared by management of the Trust in accordance with International Financial Reporting Standards (“IFRS”) as of December 31, 2017;
10. the draft portfolio summary for income producing properties of Choice Properties prepared by management of Choice Properties in accordance with IFRS as of December 31, 2017;
11. forecast net operating income and occupancy by property for the Trust prepared by management of the Trust for the years ending December 31, 2017 through December 31, 2019 as well as the most recent site plan for each property;
12. forecast net operating income by property for Choice Properties prepared by management of Choice Properties for the years ending December 31, 2017 and December 31, 2018 as well as occupancy and lease expiries by property as at September 30, 2017, a development pipeline schedule and the most recent site plan for each property;
13. unaudited financial projections for the Trust prepared by management of the Trust for the years ending December 31, 2017 through December 31, 2020;
14. unaudited financial projections for Choice Properties prepared by management of Choice Properties for the years ending December 31, 2017 through December 31, 2026;
15. discussions with senior management of the Trust and Choice Properties;
16. discussions with the Trust’s legal counsel;
17. public information relating to the business, operations, financial performance and equity trading history of each of the Trust, Choice Properties and other selected public entities considered by us to be relevant;

18. public information with respect to other transactions of a comparable nature considered by us to be relevant;
19. public information regarding the Canadian real estate industry;
20. representations contained in certificates addressed to us, dated as of the date hereof, from senior officers of the Trust and Choice Properties as to the completeness and accuracy of the information upon which the Fairness Opinion is based; and
21. such other corporate, industry and financial market information, investigations and analyses as RBC considered necessary or appropriate in the circumstances.

RBC has not, to the best of its knowledge, been denied access by the Trust to any information requested by RBC.

Assumptions and Limitations

With the Board's approval and as provided for in the Engagement Agreement, RBC has relied upon the completeness, accuracy and fair presentation of all of the financial (including, without limitation, the financial statements of the Trust and Choice Properties) and other information, data, advice, opinions or representations obtained by it from public sources, senior management of the Trust and Choice Properties, and their consultants and advisors (collectively, the "Trust Information" as it relates to the Trust and the "Choice Properties Information" as it relates to Choice Properties). The Fairness Opinion is conditional upon such completeness, accuracy and fair presentation of such Trust Information and Choice Properties Information. Subject to the exercise of professional judgment and except as expressly described herein, we have not attempted to verify independently the completeness, accuracy or fair presentation of any of the Trust Information or Choice Properties Information.

Senior officers of the Trust have represented to RBC in a certificate delivered as of the date hereof, among other things, that (i) the Trust Information (as defined above) provided orally by, or in the presence of, an officer or employee of the Trust or in writing by the Trust or any of its subsidiaries or their respective agents to RBC for the purpose of preparing the Fairness Opinion was, at the date the Trust Information was provided to RBC, and is complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact in respect of the Trust, its subsidiaries or the Arrangement and did not and does not omit to state a material fact in respect of the Trust, its subsidiaries or the Arrangement necessary to make the Trust Information or any statement contained therein not misleading in light of the circumstances under which the Trust Information was provided or any statement was made; and that (ii) since the dates on which the Trust Information was provided to RBC, except as disclosed in writing to RBC, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Trust or any of its subsidiaries and no material change has occurred in the Trust Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Fairness Opinion.

Senior officers of Choice Properties have represented to RBC in a certificate delivered as of the date hereof, among other things, that (i) the Choice Properties Information (as defined above) provided orally by, or in the presence of, an officer or employee of the Choice Properties or in writing by Choice Properties or any of its subsidiaries or their respective agents to RBC for the purpose of preparing the Fairness Opinion was, at the date the Choice Properties Information was provided to RBC, and is complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact in respect of Choice Properties, its subsidiaries or the Arrangement and did not and does not omit to state a material fact in respect of Choice Properties, its subsidiaries or the Arrangement necessary to make the Choice Properties Information or any statement contained therein

not misleading in light of the circumstances under which the Choice Properties Information was provided or any statement was made; and that (ii) since the dates on which the Choice Properties Information was provided to RBC, except as disclosed in writing to RBC, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Choice Properties or any of its subsidiaries and no material change has occurred in the Choice Properties Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Fairness Opinion.

In preparing the Fairness Opinion, RBC has made several assumptions, including that all of the conditions required to implement the Arrangement will be met.

The Fairness Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of the Trust, Choice Properties and their respective subsidiaries and affiliates, as they were reflected in the Trust Information and Choice Properties Information as they have been represented to RBC in discussions with management of the Trust and Choice Properties. In its analyses and in preparing the Fairness Opinion, RBC made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of RBC or any party involved in the Arrangement.

The Fairness Opinion has been provided for the use of the Board and may not be used by any other person or relied upon by any other person other than the Board without the express prior written consent of RBC. The Fairness Opinion is given as of the date hereof and RBC disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion which may come or be brought to RBC's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Fairness Opinion after the date hereof, RBC reserves the right to change, modify or withdraw the Fairness Opinion.

RBC believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Fairness Opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. The Fairness Opinion is not to be construed as a recommendation to any Unitholder as to whether to vote in favour of the Arrangement.

Fairness Analysis

Approach to Fairness

In considering the fairness of the consideration under the Arrangement from a financial point of view to the Unitholders, RBC considered and relied upon the following: (i) a comparison of the consideration under the Arrangement to the results of a net asset value analysis of the Trust; (ii) a comparison of the multiples implied by the consideration under the Arrangement to multiples paid in selected precedent transactions; and (iii) a comparison of the consideration under the Arrangement to the recent market trading prices of the Units. RBC also reviewed and compared selected multiples for Canadian real estate entities whose securities are publicly traded to the multiples implied by the consideration under the Arrangement. Given that public trading values generally reflect minority discount values rather than "en bloc" values, RBC did not rely on this methodology.

Fairness Conclusion

Based upon and subject to the foregoing, RBC is of the opinion that, as of the date hereof, the consideration under the Arrangement is fair from a financial point of view to the Unitholders.

Yours very truly,

RBC Dominion Securities Inc.

RBC DOMINION SECURITIES INC.

APPENDIX F
INFORMATION CONCERNING THE REIT

The REIT

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

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

Summary Description of Business

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

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

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

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

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

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

For further information regarding the REIT and its properties, see "*Business of the Trust*" in the AIF, which is incorporated herein by reference.

Documents Incorporated by Reference

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

(a) the AIF;

(b) the 2017 Circular;

(c) the Annual Financial Statements;

(d) the Annual MD&A;

(e) the joint press release of Choice Properties and the REIT announcing the Transaction dated February 15, 2018; and

(f) the material change report of the REIT dated February 21, 2018 with respect to the Transaction.

Information has been incorporated by reference in this Circular from documents filed with securities commissions or similar regulatory authorities in each of the provinces and territories of Canada. Copies of the documents incorporated herein by reference are available under the REIT's profile on SEDAR at www.sedar.com or upon request without charge to the Executive Vice President and Chief Financial Officer of the REIT at 175 Bloor Street East, North Tower, Suite 1400, Toronto, Ontario M4W 3R8 (telephone: 416-628-7872). **All material change reports (other than confidential reports), audited annual financial statements and management's discussion and analysis and all other documents of the type referred to in section 11.1 of Form 44-101F1 – *Short Form Prospectus Distributions* filed by the REIT with the applicable securities regulatory authorities in each of the provinces and territories of Canada on SEDAR at www.sedar.com after the date of this Circular and before the Meeting are deemed to be incorporated by reference into this Circular.**

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

Information contained or otherwise accessed through the REIT's website, www.creit.ca, or any website, other than those documents incorporated by reference herein and filed on the SEDAR website, does not form part of this Circular.

Description of Authorized and Issued Capital

The REIT is authorized to issue an unlimited number of Units and an unlimited number of Special Units. As at March 8, 2018, there were 73,409,979 Units outstanding and no Special Units were outstanding.

Unitholders are entitled to receive notice of any meetings of Unitholders, to attend and to cast one vote per Unit at all such meetings. Unitholders are also entitled to an equal share in any distribution paid by the REIT and an equal share in the distribution of the surplus assets of the REIT on its liquidation. The Units do not carry any pre-emptive rights.

For further information regarding the REIT's capital structure, see "*Capital Structure*" in the AIF, which is incorporated herein by reference.

Distributions

In each of the 12 months prior to the date of this Circular, the REIT has made monthly distributions to Unitholders in the range of $0.1525 to $0.1558 per month.

Prior Sales

The following table sets forth the number and prices at which the REIT has issued Units during the 12-month period prior to the date of this Circular.

The following Units were issued in connection with the REIT's distribution reinvestment plan, unit purchase plan and employee unit purchase plan.

Date	Issuance Type	Total Units Issued	Price per Unit
March 1, 2017	Unit Purchase Plan	141	$49.94
March 1, 2017	Employee Unit Purchase Plan	193	$49.94
March 14, 2017	Distribution Reinvestment Plan	12,182	$48.26
March 16, 2017	Employee Unit Purchase Plan	190	$48.05
April 3 2017	Unit Purchase Plan	155	$48.70
April 3 2017	Employee Unit Purchase Plan	188	$48.70
April 17, 2017	Distribution Reinvestment Plan	11,807	$49.20
April 17, 2017	Employee Unit Purchase Plan	183	$49.20
May 1, 2017	Unit Purchase Plan	585	$49.37
May 1, 2017	Employee Unit Purchase Plan	179	$49.37
May 12, 2017	Distribution Reinvestment Plan	11,846	$49.44
May 16, 2017	Employee Unit Purchase Plan	176	$49.69
June 1, 2017	Unit Purchase Plan	656	$48.80
June 1, 2017	Employee Unit Purchase Plan	179	$48.80
June 14, 2017	Distribution Reinvestment Plan	12,810	$48.05
June 16, 2017	Employee Unit Purchase Plan	178	$48.01
July 4, 2017	Unit Purchase Plan	348	$46.59
July 4, 2017	Employee Unit Purchase Plan	184	$46.59
July 17, 2017	Distribution Reinvestment Plan	13,633	$44.87
July 17, 2017	Employee Unit Purchase Plan	193	$44.87
August 1, 2017	Unit Purchase Plan	569	$45.28
August 1, 2017	Employee Unit Purchase Plan	191	$45.28
August 15, 2017	Distribution Reinvestment Plan	12,968	$46.52

Date	Issuance Type	Total Units Issued	Price per Unit
August 16, 2017	Employee Unit Purchase Plan	184	$46.51
September 1, 2017	Unit Purchase Plan	137	$46.04
September 1, 2017	Employee Unit Purchase Plan	189	$46.04
September 15, 2017	Distribution Reinvestment Plan	10,831	$45.65
September 18, 2017	Employee Unit Purchase Plan	192	$45.50
October 2, 2017	Unit Purchase Plan	131	$46.38
October 2, 2017	Employee Unit Purchase Plan	192	$46.38
October 16, 2017	Distribution Reinvestment Plan	13,001	$46.90
October 16, 2017	Employee Unit Purchase Plan	193	$46.90
November 1, 2017	Unit Purchase Plan	388	$46.57
November 1, 2017	Employee Unit Purchase Plan	196	$46.57
November 14, 2017	Distribution Reinvestment Plan	13,382	$45.63
November 16, 2017	Employee Unit Purchase Plan	202	$45.55
December 1, 2017	Unit Purchase Plan	185	$45.57
December 1, 2017	Employee Unit Purchase Plan	201	$45.57
December 14, 2017	Distribution Reinvestment Plan	10,707	$46.33
December 18, 2017	Employee Unit Purchase Plan	1,500	$46.34
January 2, 2018	Unit Purchase Plan	134	$45.99
January 2, 2018	Employee Unit Purchase Plan	219	$45.99
January 15, 2018	Distribution Reinvestment Plan	8,111	$44.79
January 16, 2018	Employee Unit Purchase Plan	206	$44.75
February 1, 2018	Unit Purchase Plan	900	$44.88
February 1, 2018	Employee Unit Purchase Plan	204	$44.88
February 14, 2018	Distribution Reinvestment Plan	8,548	$43.48

Trading Prices and Volumes

The Units are currently listed on the TSX under the symbol "REF.UN". The following table sets forth the high and low trading prices and the volumes traded of the Units on the TSX for the periods indicated:

Period	High ($)	Low ($)	Volume
2017			
March	49.73	47.54	2,831,319
April	50.71	48.46	2,122,865
May	50.64	48.21	1,974,502
June	49.46	45.57	2,424,549
July	46.11	44.30	1,595,765
August	47.36	44.95	1,668,230
September	46.87	45.21	1,725,453
October	47.42	45.96	1,399,298
November	47.06	45.17	1,872,059
December	46.84	45.22	1,345,877
2018			
January	46.31	44.14	2,482,322
February	52.35	42.67	4,820,684
March (1-7)	50.37	49.78	787,987

On February 14, 2018, the last trading day on which the Units traded prior to announcement of the Transaction, the closing price of the Units on the TSX was $43.54. On March 7, 2018, the closing price of the Units on the TSX was $50.16.

Risk Factors

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

APPENDIX G
INFORMATION CONCERNING CHOICE PROPERTIES

Choice Properties

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

Choice Properties is an owner, manager and developer of well-located retail and other commercial properties across Canada. Choice Properties is one of Canada's largest retail real estate investment trusts, with a portfolio comprised of 546 properties with a total gross leasable area of 44.1 million square feet as at December 31, 2017. Choice Properties' portfolio includes 525 retail properties, 14 industrial properties, one office complex, and six undeveloped parcels of land. The retail properties are made up of: (i) 318 properties with a stand-alone Loblaw-bannered retail store; (ii) 199 properties anchored by a retail store operating under a Loblaw banner that also contain one or more ancillary tenants; and (iii) eight properties containing only ancillary tenants.

The parent company of Choice Properties is Loblaw, which holds an approximate 82% effective interest in Choice Properties. Loblaw's majority shareholder is George Weston Limited, which also holds an approximate 6% effective interest in Choice Properties.

For information regarding the organizational structure of Choice Properties, see "Legal Structure of Choice Properties" in the Choice Properties AIF, which is incorporated herein by reference.

Summary Description of Business

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

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

Choice Properties aims to acquire supermarket and pharmacy-anchored and retail properties that demonstrate potential for complementary merchandising, expansion or more efficient management. Choice Properties' acquisition activities include a dedicated pipeline based on its right of first offer to acquire additional properties from Loblaw and, as opportunities arise, assets from third-party vendors. As of February 13, 2018, Loblaw owned commercial properties comprising approximately 8.1 million square feet of gross leasable area. Choice Properties has a right of first offer, subject to certain exceptions, in respect of new properties that Loblaw develops or acquires.

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

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

At the time of Choice Properties' initial public offering, its portfolio included the potential to develop incremental at-grade gross leasable area of approximately 3.5 million square feet. Choice Properties has refined its development program based on a number of factors, including expected financial return, ability to lease new space, functionality of design, geographic market, location, physical amenities, and opportunity for future value. Timelines for development projects span many months, or in some cases several years, and tenants are expected to take possession when individual units are developed. Choice Properties continues to refine its development pipeline based in part on municipal approvals, tenant leasing, and development costs. As of February 13, 2018, Choice Properties expected to invest a total of approximately $355,300,000 (including costs spent to date) to develop up to 1,029,000 square feet of gross leasable area by the end of 2020. Development yields are expected to be accretive upon tenant occupancy.

Under the terms of the strategic alliance agreement dated as of July 5, 2013 among Choice Properties, Choice Properties LP, Loblaw, Loblaws Inc. and Loblaw Properties Limited, both Choice Properties and Loblaw benefit from any construction, development or redevelopment that results in intensified use of any applicable property that was previously owned by Loblaw. Specifically, Choice Properties benefits from ownership of excess density and the development of the applicable property and Loblaw benefits from potential consumer traffic gains due to new, complementary and adjacent retail and mixed use development.

A key component of Choice Properties' active management strategy is an internally managed business model. In order to transition into a fully internalized real estate organization, effective January 1, 2015, Choice Properties implemented a new business platform, which included systems, processes and people. Choice Properties' property management activities are focused on driving value by seeking tenants in business sectors that complement a grocery anchor and/or pharmacy. As part of Choice Properties' active property management strategy, Choice Properties is committed to: (i) proactive leasing; (ii) strategic investments in capital assets; (iii) investing capital to improve occupancy rates; and (iv) analyzing trends in rental rates achieved on leasing or renewing space currently leased and in contractual increases where applicable.

Loblaw is Choice Properties' largest tenant. As at December 31, 2017, Loblaw represented 87.6% of total gross leasable area and 88.2% of annual base minimum rent. As at December 31, 2017, Loblaw leased 38.7 million square feet of gross leasable area from Choice Properties, with approximately 82.8%, 15.8% and 1.4% of such gross leasable area attributed to retail, industrial and office space, respectively.

For further information regarding Choice Properties' business and its properties, see "*Description of the Business*" and "*Properties Held by Choice Properties*" in the Choice Properties AIF, which is incorporated herein by reference.

Recent Developments

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

Documents Incorporated by Reference

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

(a) the management information circular of Choice Properties dated March 10, 2017 in connection with the annual meeting of Choice Properties Unitholders held on April 25, 2017;

(b) the Choice Properties AIF;

(c) the audited financial statements of Choice Properties for the year ended December 31, 2017, together with the notes thereto and the auditor's report thereon;

(d) the Choice Properties Annual MD&A;

(e) the joint press release of Choice Properties and the REIT announcing the Transaction dated February 15, 2018; and

(f) the material change report of Choice Properties dated February 21, 2018 with respect to the Transaction.

Information has been incorporated by reference in this Circular from documents filed with securities commissions or similar regulatory authorities in each of the provinces and territories of Canada. Copies of the documents incorporated herein by reference are available under Choice Properties' profile on SEDAR at www.sedar.com or upon request without charge to the Vice President, Investor Relations and Business Intelligence at 22 St. Clair Avenue East, Suite 500, Toronto, Ontario M4T 2S5. **All material change reports (other than confidential reports), audited annual financial statements and management's discussion and analysis and all other documents of the type referred to in section 11.1 of Form 44-101F1 – *Short Form Prospectus Distributions* filed by Choice Properties with the applicable securities regulatory authorities in each of the provinces and territories of Canada on SEDAR at www.sedar.com after the date of this Circular and before the Meeting are deemed to be incorporated by reference into this Circular.**

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

Description of Authorized and Issued Capital

Choice Properties is authorized to issue an unlimited number of Choice Properties Units and an unlimited number of Choice Properties Special Units. Choice Properties Special Units are only issued in tandem with the issuance of CP Class B Units of Choice Properties LP or such other limited partnerships that may be subsidiaries of Choice Properties from time to time. As at March 8, 2018, there were 94,356,661 Choice Properties Units outstanding and 319,080,557 Choice Properties Special Units outstanding.

Choice Properties expects to issue approximately 183 million Choice Properties Units in connection with the Transaction, based on the fully diluted number of Units outstanding as of the date of the Arrangement Agreement, and a maximum of approximately 70.9 million CP Class B Units and Choice Properties Special Units are expected to be issued in connection with the Class C Conversion.

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

Holders of Choice Properties Units are entitled to receive distributions from Choice Properties (whether of net income, net realized capital gains or other amounts) if, as and when declared by the trustees of Choice Properties. Upon the termination or winding-up of Choice Properties, holders of Choice Properties Units will participate equally with respect to the distribution of the remaining assets of Choice Properties after payment of all liabilities. Such distribution may be made in cash, as a distribution in kind, or both, all as the trustees of Choice Properties in their sole discretion may determine. Choice Properties 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 Choice Properties Unit, except for Loblaw as set out in the exchange agreement dated July 5, 2013 among Choice Properties, Choice Properties LP, Loblaw, Loblaws Inc. and each additional person who becomes, from time to time, a holder of CP Class B Units, or as otherwise agreed to by Choice Properties pursuant to a binding written agreement.

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

Each Choice Properties Special Unit entitles the holder thereof to receive notice of, to attend, and to one vote at all meetings of Choice Properties Unitholders or in respect of any resolution in writing of Choice Properties Unitholders. Except for the right to attend and vote at meetings of Choice Properties Unitholders or in respect of written resolutions of Choice Properties Unitholders, Choice Properties Special Units do not confer upon the holders thereof any other rights. A Choice Properties Special Unit does not entitle its holder to any economic interest in Choice Properties, or to any interest or share in Choice Properties, 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 Choice Properties.

For further information regarding Choice Properties' capital structure, see "*Declaration of Trust and Description of Units*" in the Choice Properties AIF, which is incorporated herein by reference.

Distributions

In each of the 12 months prior to the date of this Circular, Choice Properties made monthly distributions to holders of Choice Properties Units in the range of $0.0592 to $0.0617 per month.

Prior Sales

The following table sets forth the number and prices at which Choice Properties has issued Choice Properties Units during the 12-month period prior to the date of this Circular.

The following Choice Properties Units were issued in connection with Choice Properties' distribution reinvestment plan and security based compensation arrangements.

Date	Issuance Type	Total Units Issued	Price per Unit
March 15, 2017	Distribution Reinvestment Plan	124,888	$13.41
April 17, 2017	Distribution Reinvestment Plan	131,529	$13.48
May 11, 2017	Security Based Compensation	10,880	$10.61
May 11, 2017	Security Based Compensation	500	$11.51
May 15, 2017	Distribution Reinvestment Plan	138,040	$13.64
June 15, 2017	Distribution Reinvestment Plan	146,969	$13.57
July 17, 2017	Distribution Reinvestment Plan	154,031	$12.95
August 15, 2017	Distribution Reinvestment Plan	151,048	$12.57
September 15, 2017	Distribution Reinvestment Plan	151,483	$12.62
October 15, 2017	Distribution Reinvestment Plan	139,914	$13.06
November 15, 2017	Distribution Reinvestment Plan	136,787	$13.19
November 16, 2017	Security Based Compensation	5,000	$10.04
November 16, 2017	Security Based Compensation	800	$10.81
November 23, 2017	Security Based Compensation	15,000	$10.04
December 15, 2017	Security Based Compensation	5,194	$10.04
December 15, 2017	Distribution Reinvestment Plan	144,622	$12.83
January 15, 2018	Distribution Reinvestment Plan	27,952	$12.70
February 15, 2018	Distribution Reinvestment Plan	27,744	$11.95

Trading Prices and Volumes

The Choice Properties Units are currently listed on the TSX under the symbol "CHP.UN". The following table sets forth the high and low trading prices and the volumes traded of the Choice Properties Units on the TSX for the periods indicated:

Period	High ($)	Low ($)	Volume
2017			
March	14.29	13.35	2,520,486
April	14.12	13.75	1,036,429
May	14.26	13.66	1,191,990
June	14.20	13.75	1,071,182
July	13.85	13.15	1,527,866
August	13.60	12.80	1,325,559

Period	High ($)	Low ($)	Volume
2017			
September	13.33	12.93	617,002
October	13.82	13.17	726,766
November	13.68	13.02	984,949
December	13.42	12.93	1,020,459
2018			
January	13.46	12.86	1,401,135
February	12.97	11.59	3,273,864
March (1-7)	12.06	11.76	495,935

On February 14, 2018, the last trading day on which the Choice Properties Units traded prior to announcement of the Transaction, the closing price of the Choice Properties Units on the TSX was $12.49. On March 7, 2018, the closing price of the Choice Properties Units on the TSX was $11.80.

Promoter

Loblaw took the initiative in founding and organizing Choice Properties and is considered a promoter of Choice Properties in accordance with applicable securities laws. Loblaw holds an approximate 82% effective interest in Choice Properties.

To facilitate Choice Properties' financing of the Transaction, Loblaw has agreed to convert all of its outstanding CP Class C Units with a face value of $925 million into CP Class B Units on closing of the Transaction. Choice Properties LP expects to issue to Loblaw a maximum of approximately 70.9 million CP Class B Units upon the conversion of the CP Class C Units and, if required, to pay any shortfall in value on the Effective Date in cash. See "*The Transaction – Sources of Funds for the Transaction – Class C Conversion*" in this Circular.

Risk Factors

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

APPENDIX H
INFORMATION CONCERNING CHOICE PROPERTIES POST-TRANSACTION

This Appendix H contains significant amounts of forward-looking information. Readers are cautioned that actual results may vary. See "*Caution Regarding Forward-Looking Statements and Information*".

Overview

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

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

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

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

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

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

Trustees and Officers of the Combined Entity

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

Information about Choice Properties' current trustees and officers is as set forth in the Choice Properties AIF, which is incorporated by reference into this Circular.

Unaudited *Pro Forma* Consolidated Financial Statements

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

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

Post-Transaction Unitholdings and Principal Unitholders

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

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

Loblaw holds an approximate 82% effective interest in Choice Properties through ownership of 21,500,000 Choice Properties Units and 319,080,557 CP Class B Units and Choice Properties Special Units. The CP Class B Units and Choice Properties Special Units expected to be issued to Loblaw under the Class C Conversion would represent approximately 17% of the Choice Properties Units and CP Class B Units/Choice Properties Special Units outstanding on a standalone basis before giving effect to the Transaction.

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

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

The Transaction is not expected to have an effect on control of Choice Properties. Upon completion of the Transaction, Loblaw is expected to hold an approximate 62% effective interest in Choice Properties.

APPENDIX I
UNAUDITED *PRO FORMA* FINANCIAL STATEMENTS

Pro Forma Consolidated Financial Statements of

CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

Year ended December 31, 2017
(Unaudited)

CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

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

December 31, 2017
(Unaudited)

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

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

CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

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

Year ended December 31, 2017
(Unaudited)

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

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

CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

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

Year ended December 31, 2017
(Unaudited)

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

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

1. Basis of presentation:

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

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

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

1. Basis of presentation (continued):

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

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

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

2. Pro Forma adjustments:

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

(a) The arrangement:

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

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

2. Pro Forma adjustments (continued):

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

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

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

(b) CREIT Acquisition:

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

(In thousands of dollars, except where otherwise indicated)

2. Pro Forma adjustments (continued):

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

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

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

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

2. Pro Forma adjustments (continued):

(c) Fair value adjustment on investment properties:

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

(d) Notes, mortgages and loans receivable:

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

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

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

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

2. Pro Forma adjustments (continued):

(f) Net interest expense and other financing charges:

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

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

(In thousands of dollars, except where otherwise indicated)

2. Pro Forma adjustments (continued):

(g) Equity-accounted joint ventures:

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

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

(h) Business acquisition costs:

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

Debt placement costs on the term loan and senior unsecured debentures	$ 12,155
Debt placement costs on the committed revolving credit facility	7,150
Financing fees expensed on the bridge facility and term loan	3,291
Other transaction costs expensed	109,892
	$ 132,488

Amortization of finance fees on the term loan and senior unsecured debentures	$ 1,955
Amortization of finance fees on the committed revolving credit facility	1,430
	$ 3,385

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

2. Pro Forma adjustments (continued):

(i) Income taxes:

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

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

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

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

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

APPENDIX J
DISSENT RIGHTS UNDER THE DECLARATION OF TRUST

All capitalized terms used in this Appendix J shall have the meanings ascribed to them in the Amended and Restated Declaration of Trust of Canadian Real Estate Investment Trust dated as of May 18, 2017, which is governed by the laws of the Province of Ontario.

Section 9.1 Dissent and Appraisal Rights

(a) Subject to Section 9.2(e), a Trust Unitholder entitled to vote at a meeting of Unitholders who complies with this Section 9.1 may dissent if the Trust resolves to:

(i) sell, lease or exchange all or substantially all of the property and assets of the Trust;

(ii) carry out a going-private transaction; or

(iii) amend this Declaration of Trust to

(A) add, change or remove any provision restricting or constraining the issue, transfer or ownership of Trust Units;

(B) add, change or remove any restriction on the business that the Trust may carry on;

(C) add, change or remove the rights, privileges, restrictions or conditions attached to the Trust Units of the class held by the dissenting Trust Unitholder;

(D) increase the rights or privileges of any class of units of the Trust having rights or privileges equal or superior to the class of Trust Units held by the dissenting Trust Unitholder;

(E) create a new class of units of the Trust equal to or superior to the class of Trust Units held by the dissenting Trust Unitholder;

(F) make any class of units of the Trust having rights or privileges inferior to the class of Trust Units held by the dissenting Trust Unitholder superior to the class; or

(G) effect an exchange or create a right of exchange in all or part of a class of units of the Trust into the class of Trust Units held by the dissenting Trust Unitholder.

(b) In addition to any other right the Trust Unitholder may have, a Trust Unitholder who complies with this Section is entitled, when the action approved by the resolution from which the Trust Unitholder dissents becomes effective, to be paid by the Trust the fair value of the Trust Units held by the Trust Unitholder in respect of which the Trust Unitholder dissents, determined as of the close of business on the day before the resolution was adopted.

(c) A dissenting Trust Unitholder may only claim under this Section with respect to all the Trust Units held by the dissenting Trust Unitholder on behalf of any one beneficial owner and registered in the name of the dissenting Trust Unitholder.

(d) A dissenting Trust Unitholder shall send to the Trust, at or before any meeting of Unitholders at which a resolution referred to in subsection (a) is to be voted on, a written objection to the resolution, unless the Trust did not give notice to the Trust Unitholder of the purpose of the meeting and of the Trust Unitholder's right to dissent.

(e) The Trust shall, within 10 days after the Unitholders adopted the resolution, send to each Trust Unitholder who has filed the objection referred to in subsection (d) notice that the resolution has been adopted, but such notice is not required to be sent to any Trust Unitholder who voted for the resolution or who has withdrawn its objection.

(f) A dissenting Trust Unitholder shall, within 20 days after receiving a notice under subsection (e) or, if the Trust Unitholder does not receive such notice, within 20 days after learning that the resolution has been adopted, send to the Trust a written notice containing:

(i) the Trust Unitholder's name and address;

(ii) the number of, and class/series of, Trust Units in respect of which the Trust Unitholder dissents; and

(iii) a demand for payment of the fair value of such Trust Units.

(g) A dissenting Trust Unitholder shall, within 30 days after the sending of a notice under subsection (f), send the certificates representing the Trust Units in respect of which the Trust Unitholder dissents to the Trust or its transfer agent.

(h) A dissenting Trust Unitholder who fails to comply with subsection (g) has no right to make a claim under this Section.

(i) The Trust or its transfer agent shall endorse on any certificate received under subsection (g) a notice that the holder is a dissenting Trust Unitholder under this Section 9.1 and shall return forthwith the certificates to the dissenting Trust Unitholder.

(j) On sending a notice under subsection (f), a dissenting Trust Unitholder ceases to have any rights as a Trust Unitholder other than the right to be paid the fair value of its Trust Units as determined under this Section except where:

(i) the Trust Unitholder withdraws that notice before the Trust makes an offer under subsection (k);

(ii) the Trust fails to make an offer in accordance with subsection (k) and the dissenting Trust Unitholder withdraws the notice; or

(iii) the Trustees revoke the resolution which gave rise to the dissent rights under this Section, and to the extent applicable, terminate the related agreements or abandon a sale, lease or exchange to which the resolution relates,

in which case the Trust Unitholder's rights are reinstated as of the date the notice under subsection (f) was sent.

(k) The Trust shall, not later than 7 days after the later of the day on which the action approved by the resolution is effective or the day the Trust received the notice referred to in subsection (f), send to each dissenting Trust Unitholder who has sent such notice a written offer to pay for the dissenting Trust Unitholder's Trust Units in an amount considered by the Trustees to be the fair value, accompanied by a statement showing how the fair value was determined.

(l) Every offer made under subsection (k) for Trust Units of the same class or series shall be on the same terms.

(m) The Trust shall pay for the Trust Units of a dissenting Trust Unitholder within 10 days after an offer made under subsection (k) has been accepted, but any such offer lapses if the Trust does not receive an acceptance thereof within 30 days after the offer has been made.

(n) Where the Trust fails to make an offer under subsection (k), or if a dissenting Trust Unitholder fails to accept an offer, the Trust may, within 50 days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the Trust Units of any dissenting Trust Unitholder.

(o) If the Trust fails to apply to a court under subsection (n), a dissenting Trust Unitholder may apply to a court for the same purpose within a further period of 20 days or within such further period as a court may allow.

(p) The court where an application under subsection (n) or (o) may be made is a court having jurisdiction in the place where the Trust has its registered office.

(q) A dissenting Trust Unitholder is not required to give security for costs in an application made under subsection (n) or (o).

(r) On an application under subsection (n) or (o):

(i) all dissenting Trust Unitholders whose Trust Units have not been purchased by the Trust shall be joined as parties and bound by the decision of the court; and

(ii) the Trust shall notify each affected dissenting Trust Unitholder of the date, place and consequences of the application and of the dissenting Trust Unitholder's right to appear and be heard in person or by counsel.

(s) On an application to a court under subsection (n) and (o), the court may determine whether any other person is a dissenting Trust Unitholder who should be joined as a party, and the court shall fix a fair value for the Trust Units of all dissenting Trust Unitholders.

(t) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the Trust Units of the dissenting Trust Unitholders.

(u) The final order of a court in the proceedings commenced by an application under subsection (n) and (o) shall be rendered against the Trust in favour of each dissenting Trust Unitholder and for the amount of the Trust Units as fixed by the court.

(v) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting Trust Unitholder from the date the action approved by the resolution is effective until the date of payment.

(w) If subsection (y) applies, the Trust shall, within 10 days after the pronouncement of an order under subsection (u), notify each dissenting Trust Unitholder that it is unable lawfully to pay dissenting Trust Unitholders for their Trust Units.

(x) If subsection (y) applies, a dissenting Trust Unitholder, by written notice delivered to the Trust within 30 days after receiving a notice under subsection (w), may:

(i) withdraw their notice of dissent, in which case the Trust is deemed to consent to the withdrawal and the Trust Unitholder is reinstated to their full rights as a Trust Unitholder; or

(ii) retain a status as a claimant against the Trust, to be paid as soon as the Trust is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the Trust but in priority to its Trust Unitholders.

(y) A Trust shall not make a payment to a dissenting Trust Unitholder under this Section if there are reasonable grounds for believing that:

(i) the Trust is or would after the payment be unable to pay its liabilities as they become due; or

(ii) the realizable value of the Trust's assets would thereby be less than the aggregate of its liabilities.

For greater certainty, all rights provided to Trust Unitholders in Section 9.1 of the Declaration of Trust are in addition to any other rights that a Trust Unitholder may have under Section 5.24 of the Declaration of Trust.

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QUESTIONS AND REQUESTS FOR ASSISTANCE MAY BE DIRECTED TO THE PROXY SOLICITOR:

North America Toll-Free

1-877-452-7184

Collect Calls Outside North America

416-304-0211

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