PROSPECTUS

Initial Public Offering December 17, 2012

FAM REAL ESTATE INVESTMENT TRUST

$58,800,000
5,880,000 Offered Units

This prospectus qualifies the distribution (the "Offering") of 5,880,000 units ("Offered Units") of FAM Real Estate Investment Trust (the "REIT"), a newly created, unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario. Each Offered Unit consists of one trust unit in the capital of the REIT (a "Trust Unit") and one quarter of one Trust Unit purchase warrant of the REIT (each whole warrant being a "Warrant") at a price of $10.00 per Offered Unit. Each whole Warrant shall entitle the holder thereof to acquire one Trust Unit of the REIT (each a "Warrant Unit") at an exercise price of $10.50 per Warrant Unit for at any time following closing of the Offering and related transactions described in this prospectus ("Closing") and prior to 5:00 p.m. (Toronto time) on December 28, 2015. The Trust Units (including the Additional Trust Units (as defined below)) and Warrants (including the Additional Warrants (as defined below)) are collectively referred to as the "Offered Securities".

Concurrently with Closing, the REIT will indirectly acquire a portfolio of 27 income-producing properties comprised of industrial, office and retail properties. The REIT will own a diversified mix of such properties with 1,659,633 square feet of gross leasable area ("GLA") located in Manitoba (18 properties), Alberta (four properties), Saskatchewan (two properties), Ontario (two properties) and the Northwest Territories (one property) (the "Initial Properties"). Twenty-six of the Initial Properties will be wholly-owned by the REIT and one will be indirectly co-owned with and managed by a third-party. The REIT's wholly-owned properties will be managed by Huntingdon Capital Corp. ("Huntingdon"). Huntingdon will provide strategic, asset management, administrative, property management, leasing, construction management and administrative services necessary to manage the day-to-day operations of the REIT and its assets pursuant to the terms of a management agreement to be entered into on Closing. Through Huntingdon, the REIT will benefit from a broad network of relationships and property management and financing expertise within the commercial real estate industry.

The objectives of the REIT are to: (i) provide Unitholders (as defined herein) with stable and growing cash distributions from investments focused on industrial, office and retail properties initially in Canada, on a tax efficient basis; (ii) enhance the value of the REIT's assets and maximize long-term Trust Unit value through active management; and (iii) expand the asset base of the REIT and increase the REIT's adjusted funds from operations ("AFFO") per Trust Unit, including through accretive acquisitions. The REIT initially intends to make monthly cash distributions to Unitholders equal to approximately 95% of the REIT's AFFO calculated annually. See "Non-IFRS and Non-GAAP Measures".

On Closing, it is expected that Huntingdon will hold an approximate 30% interest in the REIT (an approximate 27% interest in the REIT if the Over-Allotment Option, as defined herein, is exercised in full) through ownership of all of the Class B limited partnership units ("Class B LP Units") of FAM Management Limited Partnership ("FAM LP"), which will be a Subsidiary of the REIT. The Class B LP Units are economically equivalent to and exchangeable for Trust Units. See "Retained Interest".

FAM Real Estate Investment Trust

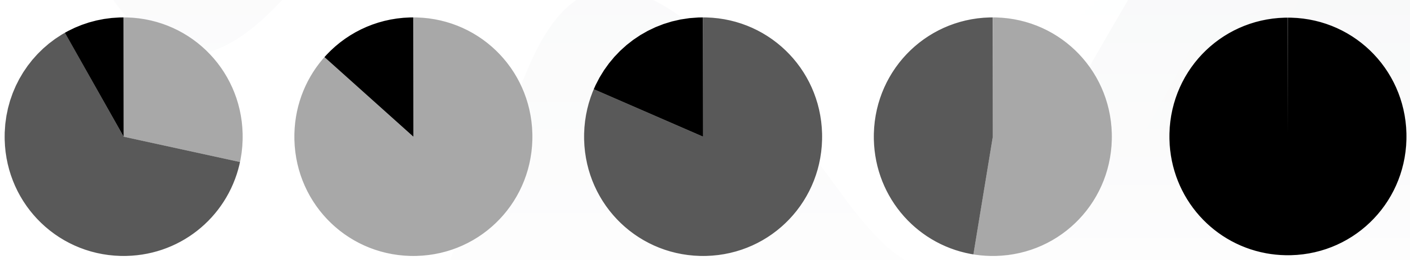
27 PROPERTIES	**1.7 MILLION** SQUARE FEET	**96%** OCCUPANCY	**6.0 YEARS** WEIGHTED AVERAGE REMAINING LEASE TERM

INVESTMENT HIGHLIGHTS

- An Attractive Yield
- Strong Statement of Financial Position Featuring Low Leverage
- An Established Portfolio of Stabilized Commercial Properties
- An Experienced Management Team with Interests Aligned with Unitholders
- Strong and Diverse Tenant Relationships
- Geographic Diversification with Strong Exposure to the Attractive Western Canadian Market

GEOGRAPHIC PROFILE

Manitoba	Alberta	Saskatchewan	Ontario	Northwest Territories
53% of NOI	12% of NOI	9% of NOI	22% of NOI	4% of NOI



Industrial Office Retail

FAM
Inves


Smart Clothes. Everyday Living.
Mark's


Purolator
Purolator
1935

Real Estate
tment Trust

Industrial Properties

11 Industrial Properties

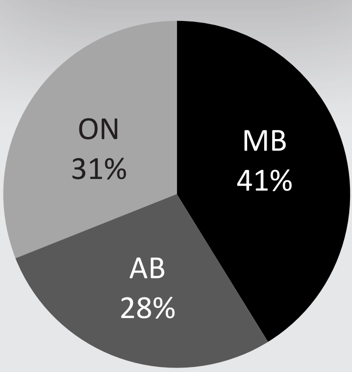
770,671 square feet

46% of Total

$5.3M NOI

38% of Total

% of 2013E NOI



Office Properties

12 Office Properties

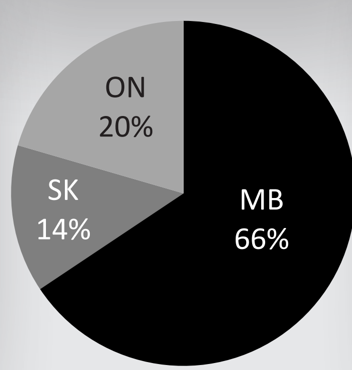
688,146 square feet

42% of Total

$7.2M NOI

51% of Total

% of 2013E NOI



Retail Properties

4 Retail Properties

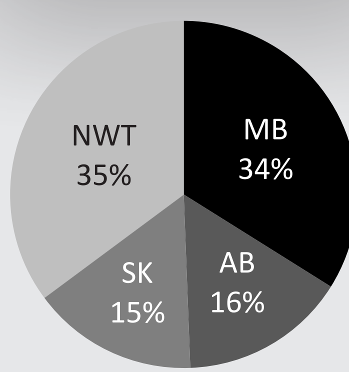
200,816 square feet

12% of Total

$1.5M NOI

11% of Total

% of 2013E NOI



Price $10.00 per Offered Unit

	Price to the Public(1)	Underwriters' Fee	Net Proceeds(2)
Per Offered Unit	$10.00	$0.60	$9.40
Total(3)(4)	$58,800,000	$3,528,000	$55,272,000

Notes:

(1) The price of the Offered Units was established by negotiation between the REIT, Huntingdon and the Underwriters.

(2) Before deducting expenses of the Offering estimated at $1,917,709 , which, together with the Underwriters' fee, will be paid from the proceeds of the Offering.

(3) This prospectus also qualifies the grant by the REIT of the Exchange Right (as defined herein). See "Retained Interest".

(4) The REIT has granted to the Underwriters an option (the "Over-Allotment Option"), exercisable at the Underwriters' sole option and without obligation, in whole or in part, and at any time up to 30 days after Closing to purchase (i) up to an additional 882,000 Offered Units (the "Additional Offered Units") at a price of $10.00 per Additional Offered Unit, (ii) up to an additional 882,000 Trust Units (the "Additional Trust Units") at a price of $9.89 per Additional Trust Unit, (iii) up to an additional 220,500 Warrants (the "Additional Warrants") at a price of $0.44 per Additional Warrant, or (iv) any combination of Additional Trust Units and/or Additional Warrants so long as the aggregate number of Additional Trust Units and Additional Warrants which may be issued under the Over-Allotment Option does not exceed 15% of the aggregate number of such securities sold pursuant to the base Offering, to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public, Underwriters' fee and net proceeds will be $67,620,000, $4,057,200 and $63,562,800, respectively. This prospectus qualifies the distribution of the Over-Allotment Option and any Additional Offered Units, Additional Trust Units or Additional Warrants issuable on the exercise thereof. A purchaser who acquires securities forming part of the Underwriters' over allocation position acquires those securities under this prospectus, regardless of whether the position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised, the proceeds received by the REIT will be used by the REIT to fund growth opportunities and for working capital purposes. See "Plan of Distribution" and "Use of Proceeds".

Underwriters' Position	Maximum Size or Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option	Option to acquire up to 882,000 Additional Offered Units and/or	30 days from Closing	$10.00 per Additional Offered Unit
	882,000 Additional Trust Units and/or		$9.89 per Additional Trust Unit
	220,500 Additional Warrants		$0.44 per Additional Warrant

There is currently no market through which the Trust Units or Warrants may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the Trust Units and/or Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Trust Units and/or Warrants, and the extent of issuer regulation. See "Risk Factors". The Toronto Stock Exchange (the "TSX") has conditionally approved the listing of the Trust Units (including the Additional Trust Units) under the symbol "F.UN", the whole Warrants (including the whole Additional Warrants) under the symbol "F.WT" and the Warrant Units issuable on exercise of the whole Warrants (including the Additional Warrants) under the symbol "F.UN". Listing is subject to the REIT fulfilling all of the requirements of the TSX on or before March 6, 2013. See ''Plan of Distribution''.

The pricing of the Offered Units has been determined, in part, based on the forecasted net income and the resulting calculation of AFFO for the 12 months ending December 31, 2013. A return on a purchaser's investment in Trust Units is not comparable to the return on an investment in a fixed income security. The recovery of a purchaser's initial investment is at risk, and the anticipated return on a purchaser's investment is based on many performance assumptions. Although the REIT intends to make distributions from AFFO to Unitholders, these distributions may be reduced or suspended. The actual amount distributed will depend on numerous factors including the financial performance of the REIT's properties, debt covenants and other contractual obligations, working capital requirements and future capital requirements, all of which are subject to a number of risks. The market value of the Trust Units will decline if the REIT is unable to meet its AFFO targets in the future, and that decline may be material. See "Non-IFRS and Non-GAAP Measures".

There are certain risks inherent in an investment in Offered Units and in the activities of the REIT. Prospective investors should carefully consider these risk factors before purchasing Offered Units. See "Risk Factors".

In connection with this Offering, the Underwriters may effect transactions that stabilize or maintain the market price of the securities at levels other than those which otherwise might prevail on the open market. **The Underwriters may offer the securities at prices lower than that stated above. See "Plan of Distribution".**

The after-tax return from an investment in Trust Units to Unitholders subject to Canadian federal income tax will depend, in part, on the composition for tax purposes of distributions paid by the REIT, portions of which may be fully or partially taxable or may constitute tax deferred returns of capital (i.e., returns that initially are non-taxable but which reduce the adjusted cost base of Unitholders' Trust Units). The REIT estimates that 100% of the monthly cash distributions to be made by the REIT to Unitholders will be tax deferred in 2013. The composition for tax purposes of those distributions may change over time, thus affecting the after-tax return to Unitholders.

The Offered Units will separate into Trust Units and Warrants immediately upon being issued. TD Securities Inc., National Bank Financial Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Canaccord Genuity Corp., Raymond James Ltd. and Macquarie Capital Markets Canada Ltd. (the "Underwriters"), as principals, conditionally offer the Offered Units, subject to prior sale, if, as and when issued by the REIT and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the REIT by Goodmans LLP and on behalf of the Underwriters by McCarthy Tétrault LLP. The Underwriters may engage in market stabilization activities as described under "Plan of Distribution". Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Closing is expected to occur on December 28, 2012 or such later date as may be agreed to in writing by the REIT, Huntingdon and the Underwriters, but in any event not later than January 15, 2013. Registrations and transfers of the Offered Securities will be effected only through the book-based system administered by CDS Clearing and Depository Services Inc. ("CDS"). Beneficial owners of Offered Securities will not, except in certain limited circumstances, be entitled to receive physical certificates evidencing their ownership of Offered Securities. See "Plan of Distribution".

TD Securities Inc. is an affiliate of a Canadian chartered bank that has committed to provide to the REIT the Revolving Credit Facility (as defined herein) at Closing. **Consequently, the REIT may be considered a "connected issuer" of TD Securities Inc. under applicable Canadian securities laws.** See "Debt Strategy" and "Plan of Distribution - Relationship Between the REIT and Certain Underwriters".

TABLE OF CONTENTS

MEANING OF CERTAIN REFERENCES

In this prospectus, it is assumed that the Offering has been completed, the Initial Properties have been indirectly acquired by the REIT and the transactions described under "The Acquisition" completed, except where the context otherwise requires. References to the "REIT" in this prospectus include its Subsidiaries where the context requires. References to dollars or "$" are to Canadian currency. Unless otherwise indicated, the disclosure in this prospectus assumes that the Over-Allotment Option is not exercised.

ELIGIBILITY FOR INVESTMENT

In the opinion of Goodmans LLP, counsel to the REIT, and McCarthy Tétrault LLP, counsel to the Underwriters, provided that the REIT qualifies as a "mutual fund trust" under the Tax Act or the Trust Units are listed on a designated stock exchange for the purpose of the Tax Act (which includes the TSX) at the date of Closing, then, on that date, the Trust Units will be qualified investments for trusts governed by registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), registered disability savings plans, deferred profit sharing plans, registered education savings plans and tax-free savings accounts ("TFSAs"), each as defined in the Tax Act ("Exempt Plans"). In addition, provided that the Warrants are listed on a designated stock exchange for the purpose of the Tax Act or the REIT deals at arm's length with each person who is an annuitant, a beneficiary, an employer or a subscriber under or a holder of the governing plan of an Exempt Plan, the Warrants will also be qualified investments for Exempt Plans.

Notwithstanding the foregoing, a holder of a TFSA or an annuitant under an RRSP or RRIF, as the case may be, will be subject to a penalty tax if the Trust Units and Warrants held in the TFSA, RRSP or RRIF are a "prohibited investment" as defined in the Tax Act for the TFSA, RRSP or RRIF. Trust Units and Warrants will generally be a "prohibited investment" for trusts governed by a TFSA, RRSP or RRIF if the holder of the TFSA or the annuitant under the RRSP or RRIF, as applicable, does not deal at arm's length with the REIT for the purposes of the Tax Act or has a "significant interest", as defined in the Tax Act, in the REIT or in a person, partnership or trust with which the REIT does not deal at arm's length for purposes of the Tax Act. Holders of TFSAs, and annuitants under RRSPs or RRIFs, should consult their own tax advisors as to whether the Trust Units and Warrants will be a "prohibited investment" in their particular circumstances.

Redemption Notes or other property received as a result of a redemption *in specie* of Trust Units may not be a qualified investment for Exempt Plans, and this may give rise to adverse consequences to such Exempt Plan or the holder of or the annuitant or beneficiary under that Exempt Plan. Accordingly, holders of Exempt Plans that own Trust Units should consult their own tax advisors before deciding to exercise the redemption rights attached to the Trust Units.

This opinion is subject to the assumptions, limitations and qualifications set out under the heading "Certain Canadian Federal Income Tax Considerations".

MARKET AND INDUSTRY DATA

This prospectus includes market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information. The REIT believes that its industry data is accurate. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although the REIT believes it to be reliable, neither the REIT nor the Underwriters have independently verified any of the data from third-party sources referred to in this prospectus, or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic assumptions relied upon by such sources.

NON-IFRS AND NON-GAAP MEASURES

All financial information in this prospectus has been prepared in accordance with IFRS or GAAP. However, this prospectus also contains certain non-IFRS and non-GAAP financial measures including "net operating income" or "NOI", "funds from operations" or "FFO" and "adjusted funds from operations" or "AFFO" since these measures are commonly used by entities in the real estate industry as useful metrics for measuring performance. However, they do not have any standardized meaning prescribed by IFRS or GAAP and are not necessarily comparable to similar measures presented by other publicly traded entities. These measures should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS or GAAP.

Net operating income ("NOI") is a supplemental non-GAAP and non-IFRS financial measure that is not defined under GAAP. NOI is defined as investment properties revenue less property operating expenses. Management considers NOI to be an appropriate supplemental performance measure as it reflects the operating performance of the real estate portfolio.

Funds from operations ("FFO") is a supplemental non-GAAP and non-IFRS financial measure for evaluating operating performance widely used in the Canadian real estate industry. FFO is an industry standard measure for evaluating operating performance and is defined as net income before fair value gains/losses on investment properties and certain other non-cash adjustments. FFO is not defined under GAAP or IFRS. Management believes FFO is an important measure of operating performance of the Initial Properties. The REIT calculates FFO in accordance with the guidelines set out by the Real Property Association of Canada.

AFFO is a supplemental non-GAAP and non-IFRS financial measure that is used in the real estate industry to assess the sustainability of future cash distributions paid by REITs. AFFO is indicative of available cash flow after capital expenditures and leasing expenses including tenant improvements. AFFO is defined as FFO adjusted for the amortization of mortgage transaction costs, straight-line rent, lease acquisition costs and maintenance capital expenditures.

FFO, AFFO and NOI should not be construed as alternatives to net income or cash flow from operating activities determined in accordance with IFRS or GAAP as indicators of the REIT's performance. The REIT's method of calculating FFO, AFFO and NOI may differ from other issuers' methods and accordingly may not be comparable to measures used by other issuers. The GAAP measurement most directly comparable to FFO, AFFO and NOI is net income. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" for a reconciliation of NOI, FFO and AFFO to net income.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements which reflect management's expectations regarding objectives, plans, goals, strategies, future growth, results of operations, performance and business prospects and opportunities of the REIT. The words "plans", "expects", "does not expect", "scheduled", "estimates", "intends", "anticipates", "does not anticipate", "projects", "believes" or variations of such words and phrases or statements to the effect that certain actions, events or results "may", "will", "could", "would", "might", "occur", "be achieved" or "continue" and similar expressions identify forward-looking statements. Some of the specific forward-looking statements in this prospectus include, but are not limited to, statements with respect to the following:

- the intention of the REIT to pay stable and growing distributions;
- the ability of the REIT to execute its growth strategies;
- the forecasted financial results of the REIT for the periods set out in the financial forecast section of this prospectus;
- the expected tax treatment of the REIT's distributions to Unitholders;
- the ability of the REIT to qualify for the REIT Exception (as defined herein); and
- the access of the REIT to debt markets.

Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable by management of the REIT as of the date of this prospectus, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The REIT's estimates, beliefs and assumptions, which may prove to be incorrect, include the various assumptions set forth herein, including, but not limited to, the REIT's future growth potential, results of operations, future prospects and opportunities and industry trends remaining unchanged, future levels of indebtedness, the tax laws as currently in effect remaining unchanged, and the current economic conditions remaining unchanged.

When relying on forward-looking statements to make decisions, the REIT cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to the factors discussed under "Risk Factors". These forward-looking statements are made as of the date of this prospectus and, except as expressly required by applicable law, the REIT assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Offering and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

THE REIT

FAM Real Estate Investment Trust is a newly created, unincorporated, open-ended real estate investment trust established pursuant to the Declaration of Trust under the laws of the Province of Ontario. The REIT's head office and registered office is located at 2000-5000 Miller Road, Richmond, British Columbia, V7B 1K6.

The REIT has been formed as a new vehicle that will focus on acquiring and owning industrial, office and retail properties to provide growing cash flows and stable and sustainable returns. Concurrently with the Closing, the REIT will indirectly acquire a portfolio of 27 income-producing properties located in Manitoba (18 properties), Alberta (four properties), Saskatchewan (two properties), Ontario (two properties) and the Northwest Territories (one property) that are currently owned (or in the case of one property, co-owned) by Huntingdon and its Subsidiaries. Twenty-six of the Initial Properties will be indirectly wholly-owned by the REIT and one will be indirectly co-owned with and managed by a third-party. These properties are referred to as the "Initial Properties".

On Closing, it is expected that Huntingdon will hold an approximate 30% interest in the REIT (an approximate 27% interest in the REIT if the Over-Allotment Option is exercised in full) through ownership of all of the Class B LP Units of FAM LP, which will be a Subsidiary of the REIT. The Class B LP Units are economically equivalent to and exchangeable for Trust Units. See "Retained Interest".

The REIT's wholly-owned properties will be managed by Huntingdon pursuant to the terms of the Management Agreement. Huntingdon is a real estate operating company listed on the TSX (Common Shares: HNT; Debentures: HNT.DB; Warrants: HNT.WT). Huntingdon owns and manages a portfolio of industrial, office, retail and aviation-related properties throughout Canada. Through Huntingdon, the REIT will be managed and operated by a seasoned team of real estate professionals with more than 35 years of combined experience in commercial real estate, including acquisitions, divestitures, financing, asset management, property management and leasing. See "Management of the REIT".

The objectives of the REIT are to: (i) provide Unitholders with stable and growing cash distributions from investments focused on industrial, office and retail properties initially in Canada, on a tax efficient basis; (ii) enhance the value of the REIT's assets and maximize long-term Trust Unit value through active management; and (iii) expand the asset base of the REIT and increase the REIT's AFFO per Trust Unit, including through accretive acquisitions.

Investment Highlights

The REIT offers Unitholders:

- ***An Attractive Yield.*** The REIT intends to pay monthly cash distributions of $0.0625 per Trust Unit which are initially expected to provide Unitholders with an annual yield of approximately 7.5%, assuming an AFFO payout ratio of 95% based on the forecasted AFFO of the Initial Properties for the period ending December 31, 2013.

- ***Strong Statement of Financial Position Featuring Low Leverage.*** The REIT's initial debt to GBV ratio of 55% (based on appraised value) compares favourably to other small cap REITs. Management expects that the REIT's strong statement of financial position will provide the REIT with a number of advantages, including financial flexibility to capitalize on investment opportunities, and financial strength in the event of adverse interest rate movements or capital market dislocation.

- ***An Established Portfolio of Stabilized Commercial Properties.*** The REIT will own a large, established portfolio of real estate properties across Canada with an emphasis on the industrial, office and retail sectors. The Initial Properties consist of 27 income-producing commercial properties that comprise a total GLA of 1,659,633 square feet: 770,671 square feet in the industrial sector, 688,146 square feet in the office sector and 200,816 square feet in the retail sector. This diversity is expected to reduce the REIT's exposure to negative trends that may arise within particular sectors, while increasing management's ability to capitalize on differential supply and demand characteristics that may exist across sectors. The Initial Properties have a current occupancy of 96% and a well-distributed lease maturity profile with an average remaining lease term of 6.0 years and no more than 16% of the leased GLA of the Initial Properties coming up for renewal in each of the next five years. Furthermore, in-place rents are approximately 6% below management's estimate of current market rents[1], providing an opportunity for organic growth upon renewal of the existing leases. The Initial Properties are diversified by property type and located in the provinces of Manitoba, Alberta, Saskatchewan, Ontario and the Northwest Territories, while also benefiting from a significant property cluster in the historically strong Winnipeg market.

- ***An Experienced Management Team with Interests Aligned with Unitholders.*** The REIT will be externally managed and operated by Huntingdon's experienced team of real estate professionals whose interests will be aligned with Unitholders through its retained interest. Huntingdon has acted as asset manager for the Initial Properties since February 2010 and over this time has demonstrated a proven ability to manage, develop and finance commercial real estate properties across multiple asset classes. Since the beginning of 2010, Huntingdon's common shares have generated a total return of over 200% (significantly outperforming the 14% total return generated by the S&P/TSX Composite Index and the 70% total return generated by the S&P/TSX Capped REIT Index over the same period).[2] Following Closing, Huntingdon's interests will be aligned with the interests of Unitholders as a result of Huntingdon's ownership of an approximate 30% interest in the REIT on a fully-diluted basis (approximately 27% if the Over-Allotment Option is exercised in full). Through Huntingdon, the REIT will be managed and operated by a seasoned team of real estate professionals with more than 35 years of combined experience in commercial real estate, including acquisitions, divestitures, financing, asset management, property management and leasing. See "Management of the REIT" and "Trustees and Executive Officers of the REIT".

- ***Strong and Diverse Tenant Relationships.*** The Initial Properties have a well-diversified tenant portfolio with 68 tenants reflecting an attractive mix of national, regional and local relationships. In addition, no single tenant represents more than 16% of GLA. Eight of the top 10 tenants by GLA are national or government tenants, and a significant number of tenants are signed under triple-net leases. Management believes it has an excellent working relationship with its tenants, which Management expects to be an important factor in the REIT's ability to attract tenants to new properties or replace leases as vacancies arise in the REIT's properties.

- ***Geographic Diversification with Strong Exposure to the Attractive Western Canadian Market.*** The Initial Properties are located across four provinces and one territory in Canada with strong exposure to the Western Canadian market. Western Canada and the Northwest Territories account for 78% of the owned GLA and forecast NOI of the Initial Properties, with a particular focus on the Manitoba market. Manitoba has demonstrated and is expected to continue to demonstrate strong economic fundamentals including robust GDP growth, increase in employment levels and positive trends in migration. See "Industry and Competitive Landscape – Manitoba". Approximately 22% of forecast NOI of the Initial Properties is located in the Greater Toronto Area, which is the second largest financial centre in North America and generates approximately 20% of Canada's total GDP. This geographic diversification is expected to add stability and growth potential, while reducing the REIT's vulnerability to economic fluctuations affecting any particular province.

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[1] In-place and market rents exclude 35 Martin Way, 7001 96th Street and 505 Industrial Drive, three single-tenant properties with long-term lease expirations. The Petro Canada at Airport Road Shopping Centre in Yellowknife has also been excluded from this comparison as the tenant is no longer operational.

[2] January 2010 to October 2012.

Growth Strategies

Internal Growth

The REIT's internal growth strategy will include the following:

- ***Maintaining strong tenant relationships and ensuring tenant retention.*** The REIT will continue to nurture its many longstanding relationships with existing tenants by anticipating and adapting to their changing needs and being proactive with lease renewals. Since June 30, 2011, the REIT has experienced a strong average tenant retention rate with approximately 95% of tenants renewing during this period. Management understands the value of maintaining existing tenancies and will engage in ongoing discussions with tenants throughout their lease term and be proactive in negotiating early renewals as leases approach their expiries. This strategy will promote organic growth by minimizing marketing, leasing and tenant improvement costs and avoiding interruptions in rental income generation.

- ***Maximizing rental income through leasing initiatives.*** The REIT expects to maintain the current high level of occupancy in the Initial Properties by leveraging Huntingdon's established leasing platform. Management intends to implement active strategies that take into consideration prevailing economic conditions, the nature of the property, its local positioning, as well as existing and prospective tenants. Many of the Initial Properties are located in areas with low vacancy rates and minimal new competitive supply, which should minimize leasing costs and allow the REIT to replace in-place rents with increased market rents as leases expire. Management also seeks to include contractual rent escalators in leases to further facilitate growth in rental income.

- ***Active management of operating costs and utilization of preventative maintenance programs.*** Site visits, inspections and preventive maintenance programs will be utilized to ensure properties are well maintained and operating expenses are minimized. The geographic clustering of certain assets within the Initial Properties is expected to provide economies of scale in local markets, translating into stable and competitive operating expenses. Examples of Huntingdon's commitment to lowering operating costs include engaging property tax appeal specialists to lower property tax costs to tenants as well as upgrading heating and ventilation equipment to lower operating costs.

External Growth

The REIT's external growth strategy will include the following:

- ***Accretive acquisitions of stabilized properties.*** Huntingdon's familiarity with the REIT's Initial Properties will be invaluable in identifying acquisition opportunities that are complementary to the Initial Properties, aligned with the REIT's investment criteria and accretive to cash flow. The REIT will seek to acquire properties within the industrial, office and retail sectors, expanding the diversity of the asset base and focusing on tenant quality, stability of cash flows, local market conditions, the potential to improve operating efficiencies and capital appreciation opportunities.

- ***Geographic expansion, increasing diversity and reducing the REIT's cost of capital.*** Huntingdon's experience in key real estate markets and across asset classes will allow the REIT to actively seek opportunities within Canada and the U.S. in order to enhance geographic diversity, improve the sustainability of cash flows and mitigate exposure to individual local market risk factors. Management anticipates an expanded geographic footprint will result in a reduction in the REIT's cost of capital which will facilitate further growth and reduce lending costs.

- ***Right of First Offer with Huntingdon.*** The REIT will seek to leverage its relationship with Huntingdon to access the industrial, office and retail properties owned or subsequently acquired by Huntingdon. The REIT expects Huntingdon to offer its assets to the REIT as properties become stabilized and suitable under the REIT's investment criteria. The REIT will have a right of first offer on properties to be sold by Huntingdon that meet the REIT's investment criteria. See "Retained Interest – Right of First Offer".

Management and Trustees of the REIT

The Declaration of Trust provides that, subject to certain conditions, the Trustees will have full, absolute and exclusive power, control and authority over the REIT's assets, affairs and operations to the same extent as if the Trustees were the sole and absolute legal and beneficial owners of the REIT's assets. The governance practices, investment guidelines and operating policies of the REIT will be overseen by a Board consisting of a minimum of one and a maximum of nine Trustees, a majority of whom will be Independent Trustees and a majority of whom will be Canadian residents. At Closing, the REIT will have five Trustees.

The following table sets forth certain information regarding each of the individuals who will be Trustees of the REIT at Closing. As of the date of this prospectus, Messrs. Zachary George, Sandeep Manak and Azim Lalani are the Trustees of the REIT. The other individuals designated below are not currently Trustees of the REIT. Each such individual has agreed to become a Trustee of the REIT and it is expected that they will be appointed to the Board on or prior to Closing. At such time, Messrs. Manak and Lalani will resign from the Board. As such individuals are not members of the Board as at the date of this prospectus, the REIT does not believe such individuals have liability for the contents of this prospectus under applicable securities laws of the provinces and territories of Canada.

Name and Municipality of Residence	Position with the REIT	Principal Occupation
ZACHARY GEORGE(6)(7) .... Stamford, Connecticut, United States	Trustee	CEO of Huntingdon
PAM SPACKMAN(2)(3)(8) .... Toronto, Ontario, Canada	Trustee	Chair of the Mortgage Advisory Committee for Timbercreek Mortgage Strategies Inc.
GARY SAMUEL(1)(3)(5)(8)(9) .... Toronto, Ontario, Canada	Trustee	President, Perek Bet Inc.
IAN MACKELLAR(4)(5)(8) .... Toronto, Ontario, Canada	Trustee	Corporate Director
GEORGES DUBÉ (1)(8) .... Toronto, Ontario, Canada	Trustee	Partner, Bennett Jones LLP

Notes:

(1) Member of the Compensation, Governance and Nominating Committee.

(2) Chair of the Compensation, Governance and Nominating Committee.

(3) Member of the Audit Committee.

(4) Chair of the Audit Committee.

(5) Member of the Investment Committee.

(6) Chair of the Investment Committee.

(7) Chair of the Board.

(8) Independent Trustee.

(9) Lead Independent Trustee.

On December 3, 2012 Shant Poladian was appointed full-time Chief Executive Officer of the REIT and Zachary George resigned as Interim Chief Executive Officer of the REIT. See "Trustees and Executive Officers of the REIT – Executive Officers".

The following table sets forth the name, municipality, province and country of residence and positions held with the REIT of each of the executive officers of the REIT:

Name and Municipality of Residence	Office with the REIT
SHANT POLADIAN .... Toronto, Ontario, Canada	Chief Executive Officer
SANDEEP MANAK .... Burnaby, British Columbia, Canada	Chief Financial Officer and Corporate Secretary

INDUSTRY AND COMPETITIVE LANDSCAPE

Introduction

Canada

The Canadian economy has demonstrated strong growth in real GDP since emerging from the 2008-2009 recessionary period, with 3.2% and 2.3% growth in 2010 and 2011, respectively. Canada is expected to continue this trend with growth of 2.3% expected for 2012. Increasing strength in the U.S. economy is expected to contribute to an increased pace of growth in 2013 and 2014.

The volatile global economic environment largely caused by uncertainty surrounding European sovereign debt continues to present a challenge to a full economic recovery in Canada. Nevertheless, Canada's comparatively strong capital markets and the current low interest rate environment have Canadian businesses well positioned for expansion, resulting in strong demand for commercial real estate in Canada.

Manitoba

Manitoba has experienced strong economic performance and will continue to attract international migrants, with over 42,000 new residents expected over the next three years. Real GDP is expected to grow by 2.9% and 2.4% in 2012 and 2013, respectively, as a result of increased output in the goods-producing industries including agriculture and manufacturing. It is anticipated that growth in the province's agricultural sector will exceed 19% in 2012 on account of improved farming conditions and strong prices. Manitoba's manufacturing sector, which includes food processing, aerospace and heavy-duty transit industries, is expected to grow at a healthy pace over the near term, as major manufacturers receive large orders and add to existing backlogs.

Alberta

Alberta continues to exhibit solid economic performance with expected real GDP growth of 3.8% and 3.0% in 2012 and 2013, respectively. Oil sands development will continue to be a significant source of growth for Alberta. Non-conventional production is projected to expand significantly over the next five years, resulting in an increase in export capacity as domestic demand stabilizes. In addition, non-residential investment in the energy sector is also expected to increase by 11.4% and by 9.5% in 2012 and 2013, respectively.

Saskatchewan

Saskatchewan's economy continues to perform well, with real GDP expected to grow 2.4% and 3.4% in 2012 and 2013, respectively, primarily as a result of increased activity in the mining sector. High demand for potash and other fertilizers is expected to drive the industry to expand more than 30% in 2013. Saskatchewan's agricultural sector, which is expected to grow by 5.6% this year, is poised to benefit from improved growing conditions and a strong pricing environment.

Ontario

Ontario's economy is well positioned to exhibit strong growth in the near future given the significant recent investment made in non-residential construction and machinery as well as a resurgence of automotive sales in the U.S. Real GDP growth is expected to be 2.1% and 2.3% in 2012 and 2013, respectively. Ontario's automotive sector continues to generate growth, with auto production increasing 19% in the first half of 2012. Overall manufacturing growth is anticipated to reach 3.4% in 2012 and significant investments in non-residential structures, machinery and equipment are expected in response to the mining developments in northern Ontario and new projects in the manufacturing industry.

INITIAL PROPERTIES

The following table provides information regarding the Initial Properties:

#	Property	City, Province	Year Built / Renovated or Expanded	Area (sf)	Number of Tenants[7]	Occupancy[7]
Industrial Properties						
1.	35 Martin Way	Brooks, AB	2005	28,400	1	100%
2.	5404 36th Street SE	Calgary, AB	1980	36,000	1	100%
3.	7001 96th Street	Grande Prairie, AB	1980	33,280	1	100%
4.	891 – 895 Century Street	Winnipeg, MB	1961 / 1968	51,835	5	100%
5.	110 Lowson Crescent	Winnipeg, MB	1996	60,903	2	100%
6.	130 Lowson Crescent	Winnipeg, MB	1999	25,672	1	100%
7.	119 – 130 Plymouth Street	Winnipeg, MB	1977 / 1999	43,364	1	100%
8.	1271 Sargent Avenue	Winnipeg, MB	1981 / 1984	40,893	1	100%
9.	1855 Sargent Avenue	Winnipeg, MB	1953 / 1998	77,500	1	100%
10.	1935 Sargent Avenue[1]	Winnipeg, MB	1962 / 1997	113,864	1	100%
11.	505 Industrial Drive	Milton, ON	2002	258,960	1	100%
Office Properties						
12.	Saskatchewan Place	Regina, SK	1985	84,243	10	97%
13.	280 Broadway Avenue[2]	Winnipeg, MB	1957	115,354	2	100%
14.	585 Century Street[3]	Winnipeg, MB	1959	9,680	1	100%
15.	220 Cree Crescent	Winnipeg, MB	1980	18,000	3	100%
16.	1680 Ellice Avenue[3]	Winnipeg, MB	1980	29,843	5	90%
17.	1030 – 1040 Empress Street	Winnipeg, MB	1956 / 1983	33,478	3	100%
18.	114 Garry Street	Winnipeg, MB	1950 / 1995	74,248	1	100%
19.	220 Portage Avenue[4]	Winnipeg, MB	1966 / 1988	85,079	9	98%
20.	1336 – 1340 Sargent Avenue	Winnipeg, MB	1950 / 1995	42,092	2	100%
21.	895 Waverley Street	Winnipeg, MB	1991	34,435	3	100%
22.	1000 Waverley Street	Winnipeg, MB	1966 / 1998	58,515	2	72%
23.	1189 Colonel Sam Drive	Oshawa, ON	2001	103,179	1	100%
Retail Properties						
24.	125 – 185 First Street	Cochrane, AB	1998	15,757	3	93%
25.	Humboldt Mall	Humboldt, SK	1986	106,145	10	69%
26.	Flin Flon Wal-Mart	Flin Flon, MB	2002	63,439	1	100%
27.	Airport Road Shopping Centre	Yellowknife, NWT	1982 / 2003[5]	15,475	3	100%
TOTAL/WEIGHTED AVERAGE				**1,659,633**	**75**[6]	**96%**

Notes:

(1) Leasehold interest.

(2) Includes a seven-storey office building at 280 Broadway Avenue, a three-storey multi-family residential building located at 70 Smith Street and two parking lots located at 286 Broadway Avenue and 68 Smith Street. Excludes residential tenants at 70 Smith Street.

(3) 1680 Ellice Avenue and 585 Century Street comprise the Century Business Park.

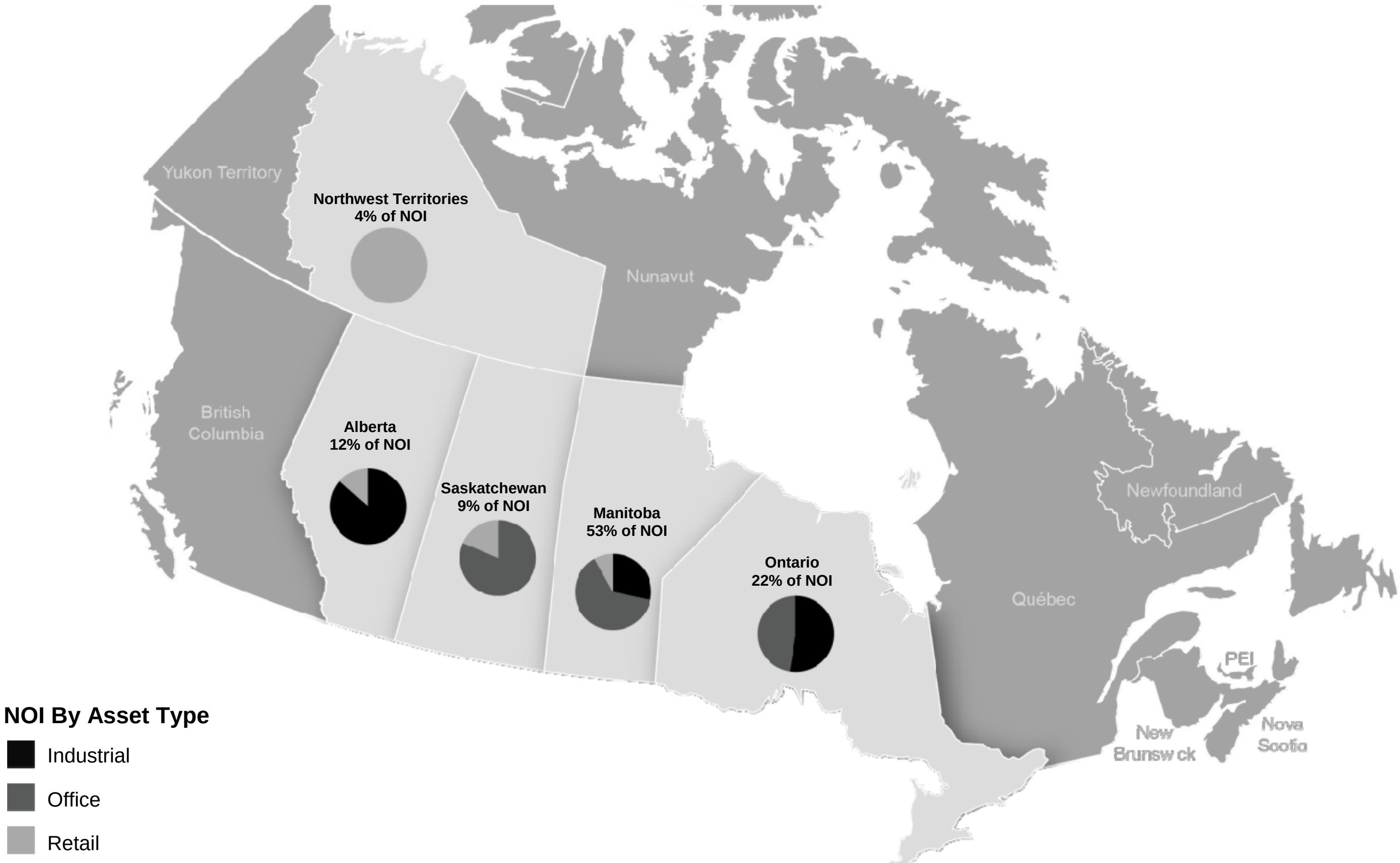
(4) On Closing, the REIT will indirectly own a 50% non-managing interest in this property. 85,079 square feet represents the REIT's 50% interest.

(5) Airport Road Shopping Centre consists of the following two buildings: 307 Old Airport Road was originally built in 1993 and was subsequently renovated in 2003 and 309 Old Airport Road was originally built in 1982 and subsequently renovated in 2001.

(6) The Initial Properties have 68 tenants who occupy the Initial Properties through 75 separate tenancies.

(7) As of November 1, 2012.

The following map outlines the geographic distribution of the Initial Properties. The map also indicates the contribution to the REIT's forecast NOI for the 12-month period ended December 31, 2013 and the breakdown of the Initial Properties by asset class.



The following table shows the contribution of the Initial Properties to total NOI (based on forecast NOI for the 12-month period ended December 31, 2013) for each province in which the Initial Properties are located and by asset class.

	Industrial	Office	Retail	Total
Manitoba	16%	34%	3%	**53%**
Alberta	10%	0%	2%	**12%**
Saskatchewan	0%	7%	2%	**9%**
Ontario	12%	10%	0%	**22%**
Northwest Territories	0%	0%	4%	**4%**
Total	**38%**	**51%**	**11%**	**100%**

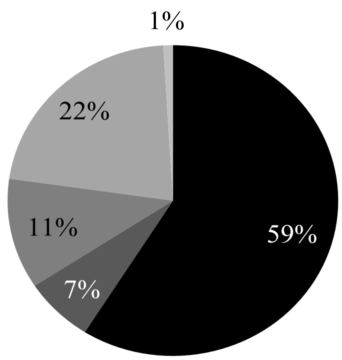
Composition of the Initial Properties

Geographic Composition

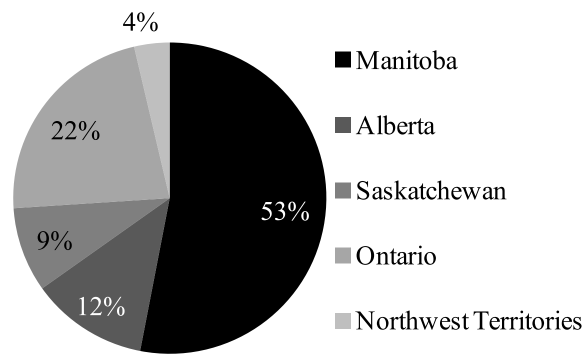
The Initial Properties are located in Manitoba, Alberta, Saskatchewan, Ontario and the Northwest Territories, with properties in Manitoba representing 59% of the GLA and 53% of the forecast NOI.

Seventeen of the Initial Properties (55% of the GLA) are located in Winnipeg, which has demonstrated strong GDP growth, increased employment levels and migration to the region. The strength of Winnipeg's economy has resulted in growing demand for commercial real estate space, leading to decreased vacancy rates and upward pressure on market rents in the region.

GLA by Province



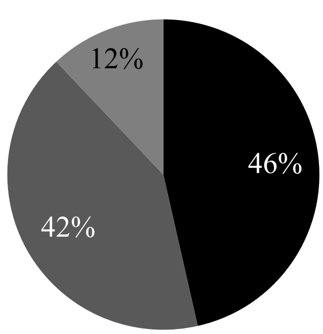
2013F NOI by Province



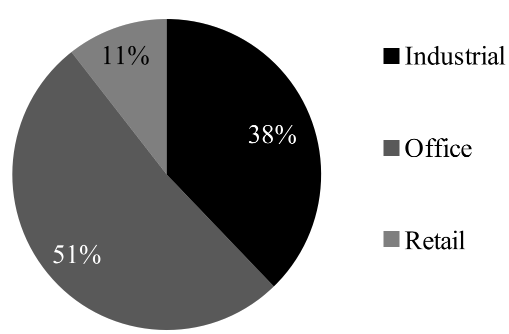
Asset Class Distribution

The Initial Properties consist of a well-balanced mix of properties across the industrial, office and retail real estate classifications. The following graphs describe the asset class distribution of the Initial Properties, measured by GLA and NOI:

GLA by Asset Class

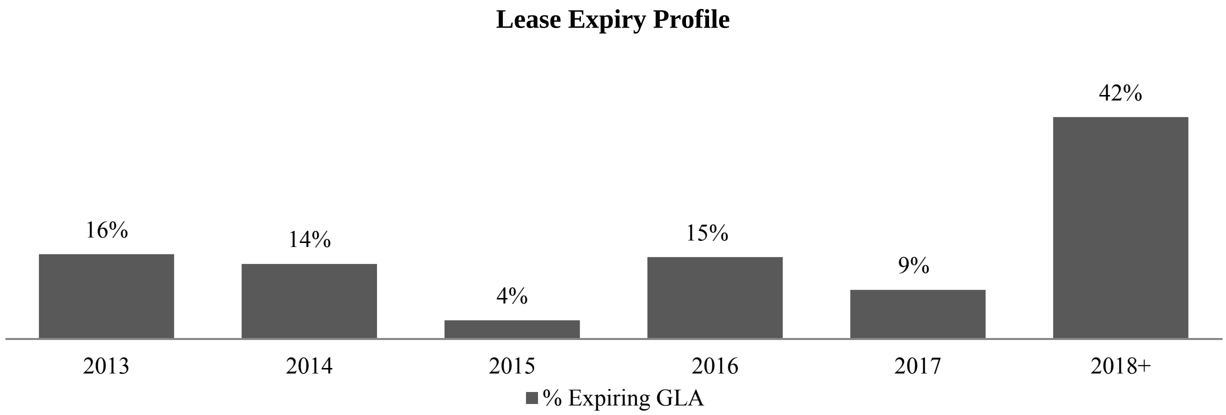


2013F NOI by Asset Class



Occupancy and Leasing

The following graph sets out the percentage of GLA of the Initial Properties subject to lease expiries during the periods shown:



The Initial Properties have an overall occupancy of 96% with an average remaining lease term of approximately 6.0 years. No more than 16% of the leased GLA expires in any given year from 2013 to 2017.

Debt Strategy

The REIT's overall borrowing policy is to obtain secured mortgage financing on a primarily fixed rate basis, with a term to maturity that is appropriate having regard to the lease maturity profile for each property and which allows the REIT to (i) achieve and maintain staggered debt maturities to lessen exposure to interest rate fluctuations and re-financing risk in any particular period; and (ii) fix the rates and extend loan terms as long as possible when borrowing conditions are favourable. Subject to market conditions and the growth of the REIT, management of the REIT currently intends to maintain indebtedness of approximately 50% - 55% of gross book value ("GBV"). The REIT intends to satisfy principal repayments and other capital expenditures in future years through a combination of re-financing of the REIT's Existing Mortgages (as defined below), the REIT's working capital and through the REIT's Revolving Credit Facility (as defined below).

The REIT may not incur or assume any indebtedness if, after giving effect to the incurring or assumption of such indebtedness, the total indebtedness of the REIT would be more than 65% of the GBV of its assets (including convertible debentures). On Closing, the REIT expects to have total debt of approximately $109.1 million. Total debt includes approximately $93.7 million of fixed interest rate, long-term secured mortgage financing with a weighted average interest rate and remaining term to maturity of approximately 5.3% and 4.6 years, respectively (the "Existing Mortgages"). The Existing Mortgages (which represent approximately 47% of the REIT's GBV based on appraised value) on the Initial Properties will be recorded on the statement of financial position of the REIT at the carrying value of $93.7 million, which approximates fair market value due to the Interest Rate Subsidy described below. Also included in total debt is a 3% vendor take-back note issued by FAM LP in favour of Huntingdon in the principal amount of approximately $9.2 million, with a 2-year term to maturity (the "VTB Note"). In addition, the REIT is expected to draw down approximately $6.2 million on the Revolving Credit Facility, as defined below, with the majority of such amount expected to be refinanced with fixed rate mortgages within 60 days of Closing of the Offering.

The purchase price otherwise payable by the REIT for the Initial Properties has been reduced by $1.9 million and, on Closing, the REIT will retain such amount to subsidize its interest payments for a period of five years following Closing, with such subsidy intended to achieve a blended cash interest rate of 4.5% on the outstanding mortgages of the Initial Properties. See "Retained Interest – Interest Rate Subsidy".

A Canadian chartered bank has committed to provide, at Closing, the REIT with an $8.0 million revolving credit facility (the "Revolving Credit Facility"). The Revolving Credit Facility will initially be secured by two of the Initial Properties. The Revolving Credit Facility will expire on November 30, 2014.

See “Debt Strategy”, “Pro Forma Capitalization of the REIT” and “Investment Guidelines and Operating Policies”.

Independent Appraisal of Initial Properties

Huntingdon retained the Appraiser, CBRE Limited, to provide an independent estimate of the fair market value of the Initial Properties. Based on the Appraisal, the estimated aggregate market value of the Initial Properties as a portfolio as at September 30, 2012 is $198,365,000, which reflects a blended overall capitalization rate (established in accordance with the methodology described in the Appraisal) for the Initial Properties of 7.46%. The estimated market value of the Initial Properties was determined by the Appraiser using an income valuation approach, which utilized the discounted cash flow method and the direct capitalization method. These valuation methods are traditionally used by investors when acquiring properties similar to the Initial Properties. In appraising the Initial Properties, the Appraiser assumed that title to the Initial Properties is good and marketable and did not take into account engineering, environmental, zoning, planning or related issues. No portfolio premium was applied in estimating the aggregate market value of the Initial Properties. The Appraisal is based on various assumptions of future expectations and, while the Appraiser’s internal forecasts of net operating income for the Initial Properties is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

See “Assessment and Valuation of the Initial Properties — Independent Valuation”.

FINANCIAL FORECAST

The financial forecast information set forth below is based upon the financial forecast prepared by management of the REIT, using assumptions with an effective date of December 13, 2012. The forecast has been prepared on the basis that the Initial Properties will be acquired at Closing and using assumptions that reflect management's intended course of action for the REIT for the periods covered, given management's judgment as to the most probable set of economic conditions. The forecast assumes that the Over-Allotment Option is not exercised, no acquisitions are completed during the period and that the capital structure at Closing is maintained throughout the forecast period. **The assumptions used in the preparation of the forecast, although considered reasonable at the time of preparation, may not materialize as forecasted and unanticipated events and circumstances may occur subsequent to the date of the forecast. Accordingly, there is a significant risk that the actual results achieved by the REIT for the forecast period will vary from the forecast results and the variations may be material. See "Forward-Looking Statements" and "Financial Forecast".**

	Three month periods ending				**Twelve month period ending**
(in thousands of Canadian dollars)	**March 31, 2013**	**June 30, 2013**	**September 30, 2013**	**December 31, 2013**	**December 31, 2013**
Revenue from investment properties	$6,075	$5,887	$5,770	$5,793	**$23,525**
Property operating expenses	(2,311)	(2,305)	(2,302)	(2,302)	**(9,220)**
Property operating income	**$3,764**	**$3,582**	**$3,468**	**$3,491**	**$14,305**
General and administration	(363)	(363)	(363)	(363)	**(1,452)**
Finance costs	(1,679)	(1,671)	(1,685)	(1,691)	**(6,726)**
Fair value adjustments to investment properties	–	–	–	–	**–**
Net income and comprehensive income	**$1,722**	**$1,548**	**$1,420**	**$1,437**	**$6,127**

Calculation of FFO and AFFO

The following table calculates forecast FFO and AFFO for the REIT for each of the three month periods ending March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013 and for the 12 months ending December 31, 2013. See "Non-IFRS and Non-GAAP Measures" and "Financial Forecast".

	Three month periods ending				**Twelve month period ending**
(in thousands of Canadian dollars)	**March 31, 2013**	**June 30, 2013**	**September 30, 2013**	**December 31, 2013**	**December 31, 2013**
Net income for the period	$1,722	$1,548	$1,420	$1,437	**$6,127**
Interest expense on Class B LP Units	471	471	471	471	**1,884**
Amortization of tenant inducements	-	-	8	27	**35**
Fair value adjustments to investment properties	-	-	-	-	-
FFO	**$2,193**	**$2,019**	**$1,899**	**$1,935**	**$8,046**
Amortization of mortgage transaction costs	17	17	18	18	**70**
Straight-line rent	(86)	(83)	(81)	(79)	**(329)**
Leasing costs	-	(1)	(196)	(95)	**(292)**
Tenant Improvements	(39)	(39)	(39)	(38)	**(155)**
Capital expenditures	(168)	(168)	(169)	(170)	**(675)**
AFFO	**$1,917**	**$1,745**	**$1,432**	**$1,571**	**$6,665**
FFO/Trust Unit	$0.26	$0.24	$0.23	$0.23	$0.96
AFFO/Trust Unit	$0.23	$0.21	$0.17	$0.19	$0.80

THE OFFERING

Offering:	5,880,000 Offered Units. Each Offered Unit consists of one Trust Unit and one quarter of one Warrant.
Amount:	$58,800,000
Price:	$10.00 per Offered Unit.
Over-Allotment Option:	The REIT has granted to the Underwriters an option, exercisable at the Underwriters' sole option and without obligation, in whole or in part, and at any time up to 30 days after Closing to purchase (i) up to 882,000 Additional Offered Units at a price of $10.00 per Additional Offered Unit, (ii) up to 882,000 Additional Trust Units at a price of $9.89 per Additional Trust Unit, (iii) up to 220,500 Additional Warrants at a price of $0.44 per Additional Warrant, or (iv) any combination of Additional Trust Units and/or Additional Warrants so long as the aggregate number of Additional Trust Units and Additional Warrants which may be issued under the Over-Allotment Option does not exceed 15% of the aggregate number of such securities sold pursuant to the base Offering, to cover over-allotments, if any, and for market stabilization purposes. See "Plan of Distribution".
Use of Proceeds:	The net proceeds from the Offering, without giving effect to the Over-Allotment Option, but after deducting the expenses of the Offering, will be approximately $53.4 million. The proceeds will be used by the REIT to indirectly acquire the Initial Properties from Huntingdon through the acquisition of (i) all issued and outstanding Class A LP Units of FAM LP not already held by the REIT, and (ii) a non-interest bearing promissory note issued by FAM LP in favour of Huntingdon. The purchase price otherwise payable by the REIT for the Initial Properties has been reduced by $4.9 million and, on Closing, the REIT will retain such amount to fund the Interest Rate Subsidy and the Capital Expenditure Subsidy. The net proceeds from the issue of securities on exercise of the Over-Allotment Option will be used by the REIT to fund growth opportunities and for working capital purposes. See "Use of Proceeds".
Trust Unit Attributes:	The REIT is authorized to issue an unlimited number of Trust Units. Each Trust Unit represents a proportionate undivided beneficial ownership interest in the REIT. Each Trust Unit is transferable and entitles the holder thereof to: (i) an equal participation in distributions of the REIT; (ii) rights of redemption; and (iii) one vote at all meetings of Unitholders. In addition to the Trust Units, the REIT will also be authorized to create and issue an unlimited number of Preferred Units, in series, having terms and conditions as may be determined by the Board of Trustees from time-to-time. See "Declaration of Trust".
Warrant Attributes:	The Warrants will be issued pursuant to the Warrant Indenture. Each Warrant shall entitle the holder thereof to acquire one Warrant Unit (subject to customary anti-dilution adjustments) at an exercise price of $10.50 per Warrant Unit at any time following the Closing and prior to 5:00 p.m. (Toronto time) on December 28, 2015, after which time the Warrant will be void and of no value. The Warrants may not be exercised in the United States or to or for the account or benefit of a U.S. person, as such term is defined in Regulation S under the U.S. Securities Act.
Retained Interest:	Following Closing, Huntingdon is expected to hold an approximate 30% interest in the REIT (approximately 27% if the Over-Allotment Option is exercised in full) through

ownership of 2,513,700 Class B LP Units (being all of the securities of such class). Each Class B LP Unit will entitle the holder to cash distributions from FAM LP equal to the distributions paid to holders of Trust Units by the REIT. Each Class B LP Unit will be accompanied by one Special Voting Unit of the REIT which provides the Class B LP Unit holder with the same voting rights in the REIT as a holder of a Trust Unit. Each Class B LP Unit is exchangeable into one Trust Unit (subject to customary anti-dilution adjustments). Subject to certain restrictions, Huntingdon will be granted pre-emptive rights to maintain its *pro rata* ownership interest as well as demand and "piggy-back" registration rights with respect to future public offerings by the REIT.

Distribution Policy: The REIT initially intends to adopt a distribution policy pursuant to which the REIT will make cash distributions to Unitholders and will cause cash partnership distributions to be made to holders of Class B LP Units on each monthly Distribution Date equal to, on an annual basis, approximately 95% of AFFO. Pursuant to this distribution policy, distributions will be paid to Unitholders of record at the close of business on the last business day of a month on or about the 15^{th} day of the following month. The first distribution for the period from Closing to January 31, 2013, will be paid on or about February 15, 2013, and, assuming the Closing occurs on December 28, 2012, will be in the amount of $0.0707 per Trust Unit. The REIT intends to make subsequent monthly distributions on the 15^{th} of the month, or the first business day thereafter should the 15^{th} not be a business day, in the estimated amount of $0.0625 per Trust Unit. Distributions will be made in cash, subject to an election by a Unitholder to have the Unitholder's distributions automatically reinvested in additional Trust Units under the REIT's distribution reinvestment plan (the "DRIP"). Notwithstanding the distribution policy, the Trustees retain full discretion with respect to the timing and quantum of distributions. See "Distribution Policy".

Distribution Reinvestment Plan: Following Closing, subject to regulatory approval, the REIT intends to adopt the DRIP, pursuant to which Unitholders will be entitled to elect to have all cash distributions of the REIT automatically reinvested in additional Trust Units at a price per Trust Unit calculated by reference to the weighted average of the trading price for the Trust Units on the TSX for the five trading days immediately preceding the relevant Distribution Date. Unitholders who so elect will receive a further distribution of Trust Units equal to 3% of each distribution that was reinvested by them. See "Distribution Policy — Distribution Reinvestment Plan".

Risk Factors: An investment in Offered Units is subject to a number of risk factors that should be carefully considered by a prospective purchaser. Cash distributions by the REIT are not guaranteed and will be based, in part, upon the financial performance of the REIT's properties, which is susceptible to a number of risks. These risks, and other risks associated with an investment in Offered Units, include those related to real property ownership and tenant risks, fixed costs, liquidity, competition, current economic environment, acquisitions, access to capital, financing risks, environmental matters, jointly owned property, third-party approvals, certain risks associated with having single tenant properties, potential conflicts of interest, general insured and uninsured risks, financial forecast, land leases, reliance on key personnel, limit on activities, occupancy by tenants, forecasted occupancy rates and revenues, lease renewals and rental increases, Huntingdon indemnity and prior commercial operations, non-guaranteed cash distributions, tax-related risk factors, taxation of mutual fund trusts, REIT Exception, change of tax law, restrictions on redemptions, potential volatility of Trust Unit prices, nature of investment, availability of cash flow, dilution, absence of a prior public market, exercise of Warrants following certain transactions, determination of offering price, historical carve-out financial information and pro forma financial information may not be indicative of future results and indirect ownership of Trust Units by Huntingdon. See "Risk Factors".

THE REIT

The REIT

FAM Real Estate Investment Trust has been formed as an unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario that will focus on acquiring and owning industrial, office and retail properties to provide growing cash flows and stable and sustainable returns. Concurrently with the Closing, the REIT will indirectly acquire the Initial Properties, being a portfolio of 27 income-producing properties located in Manitoba (18 properties), Alberta (four properties), Saskatchewan (two properties), Ontario (two properties) and the Northwest Territories (one property) that are currently owned (or in the case of one property, co-owned) by Huntingdon and its Subsidiaries. Twenty-six of the Initial Properties will be indirectly wholly-owned by the REIT and one will be indirectly co-owned with and managed by a third-party.

The indirect acquisition of the interests in the Initial Properties from Huntingdon is referred to as the “Acquisition”. See “Acquisition of the Initial Properties”.

On Closing, it is expected that Huntingdon will hold an approximate 30% interest in the REIT (approximately 27% if the Over-Allotment Option is exercised in full) through ownership of all of the Class B LP Units of FAM LP, which will be a Subsidiary of the REIT. The Class B LP Units are economically equivalent to and exchangeable for Trust Units. See “Retained Interest” and “Distribution Policy”.

The REIT’s wholly-owned properties will be managed by Huntingdon pursuant to the terms of the Management Agreement. Huntingdon is a real estate operating company listed on the TSX (Common Shares: HNT; Debentures: HNT.DB; Warrants: HNT.WT). Huntingdon owns and manages a portfolio of industrial, office, retail and aviation-related properties throughout Canada. Through Huntingdon, the REIT will be managed and operated by a team of real estate professionals with more than 35 years of combined experience in commercial real estate, including acquisitions, divestitures, financing, asset management, property management and leasing. See “Management of the REIT”.

REIT Objectives

The objectives of the REIT are to: (i) provide Unitholders with stable and growing cash distributions from investments focused on industrial, office and retail properties initially in Canada, on a tax efficient basis; (ii) enhance the value of the REIT’s assets and maximize long-term Trust Unit value through active management; and (iii) expand the asset base of the REIT and increase the REIT’s AFFO per Trust Unit, including through accretive acquisitions.

Investment Highlights

The REIT offers Unitholders:

- ***An Attractive Yield.*** The REIT intends to pay monthly cash distributions of $0.0625 per Trust Unit which are initially expected to provide Unitholders with an annual yield of approximately 7.5%, assuming an AFFO payout ratio of 95% based on the forecasted AFFO of the Initial Properties for the period ending December 31, 2013.

- ***Strong Statement of Financial Position Featuring Low Leverage.*** The REIT’s initial debt to GBV ratio of 55% (based on appraised value) compares favourably to other small cap REITs. Management expects that the REIT’s strong statement of financial position will provide the REIT with a number of advantages, including financial flexibility to capitalize on investment opportunities, and financial strength in the event of adverse interest rate movements or capital market dislocation.

- ***An Established Portfolio of Stabilized Commercial Properties.*** The REIT will own a large, established portfolio of real estate properties across Canada with an emphasis on the industrial, office and retail sectors. The Initial Properties consist of 27 income-producing commercial properties that comprise a total GLA of 1,659,633 square feet: 770,671 square feet in the industrial sector, 688,146 square feet in the office sector and 200,816 square feet in the retail sector. This diversity is expected to reduce the REIT's exposure to negative trends that may arise within particular sectors, while increasing management's ability to capitalize on differential supply and demand characteristics that may exist across sectors. The Initial Properties have a current occupancy of 96% and a well-distributed lease maturity profile with an average remaining lease term of 6.0 years and no more than 16% of the leased GLA of the Initial Properties coming up for renewal in each of the next five years. Furthermore, in-place rents are approximately 6% below management's estimate of current market rents[3], providing an opportunity for organic growth upon renewal of the existing leases. The Initial Properties are diversified by property type and located in the provinces of Manitoba, Alberta, Saskatchewan, Ontario and the Northwest Territories, while also benefiting from a significant property cluster in the historically strong Winnipeg market.

- ***An Experienced Management Team with Interests Aligned with Unitholders.*** The REIT will be externally managed and operated by Huntingdon's experienced team of real estate professionals whose interests will be aligned with Unitholders through its retained interest. Huntingdon has acted as asset manager for the Initial Properties since February 2010 and over this time has demonstrated a proven ability to manage, develop and finance commercial real estate properties across multiple asset classes. Since the beginning of 2010, Huntingdon's common shares have generated a total return of over 200% (significantly outperforming the 14% total return generated by the S&P/TSX Composite Index and the 70% total return generated by the S&P/TSX Capped REIT Index over the same period).[4] Following Closing, Huntingdon's interests will be aligned with the interests of Unitholders as a result of Huntingdon's ownership of an approximate 30% interest in the REIT on a fully-diluted basis (approximately 27% if the Over-Allotment Option is exercised in full). Through Huntingdon, the REIT will be managed and operated by a seasoned team of real estate professionals with more than 35 years of combined experience in commercial real estate, including acquisitions, divestitures, financing, asset management, property management and leasing. See "Management of the REIT" and "Trustees and Executive Officers of the REIT".

- ***Strong and Diverse Tenant Relationships.*** The Initial Properties have a well-diversified tenant portfolio with 68 tenants reflecting an attractive mix of national, regional and local relationships. In addition, no single tenant represents more than 16% of GLA. Eight of the top 10 tenants by GLA are national or government tenants, and a significant number of tenants are signed under triple-net leases. Management believes it has an excellent working relationship with its tenants, which Management expects to be an important factor in the REIT's ability to attract tenants to new properties or replace leases as vacancies arise in the REIT's properties.

- ***Geographic Diversification with Strong Exposure to the Attractive Western Canadian Market.*** The Initial Properties are located across four provinces and one territory in Canada with strong exposure to the Western Canadian market. Western Canada and the Northwest Territories account for 78% of the owned GLA and forecast NOI of the Initial Properties, with a particular focus on the Manitoba market. Manitoba has demonstrated and is expected to continue to demonstrate strong economic fundamentals including robust GDP growth, increase in employment levels and positive trends in migration. See "Industry and Competitive Landscape – Manitoba". Approximately 22% of forecast NOI of the Initial Properties is located in the Greater Toronto Area, which is the second largest financial centre in North America and generates approximately 20% of Canada's total GDP. This geographic diversification is expected to add stability and growth potential, while reducing the REIT's vulnerability to economic fluctuations affecting any particular province.

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[3] In-place and market rents exclude 35 Martin Way, 7001 96th Street and 505 Industrial Drive, three single-tenant properties with long-term lease expirations. The Petro Canada at Airport Road Shopping Centre in Yellowknife has also been excluded from this comparison as the tenant is no longer operational.

[4] January 2010 to October 2012.

Growth Strategies

Internal Growth

The REIT's internal growth strategy will include the following:

- ***Maintaining strong tenant relationships and ensuring tenant retention.*** The REIT will continue to nurture its many longstanding relationships with existing tenants by anticipating and adapting to their changing needs and being proactive with lease renewals. Since June 30, 2011, the REIT has experienced a strong average tenant retention rate with approximately 95% of tenants renewing during this period. Management understands the value of maintaining existing tenancies and will engage in ongoing discussions with tenants throughout their lease term and be proactive in negotiating early renewals as leases approach their expiries. This strategy will promote organic growth by minimizing marketing, leasing and tenant improvement costs and avoiding interruptions in rental income generation.

- ***Maximizing rental income through leasing initiatives.*** The REIT expects to maintain the current high level of occupancy in the Initial Properties by leveraging Huntingdon's established leasing platform. Management intends to implement active strategies that take into consideration prevailing economic conditions, the nature of the property, its local positioning, as well as existing and prospective tenants. Many of the Initial Properties are located in areas with low vacancy rates and minimal new competitive supply, which should minimize leasing costs and allow the REIT to replace in-place rents with increased market rents as leases expire. Management also seeks to include contractual rent escalators in leases to further facilitate growth in rental income.

- ***Active management of operating costs and utilization of preventative maintenance programs.*** Site visits, inspections and preventive maintenance programs will be utilized to ensure properties are well maintained and operating expenses are minimized. The geographic clustering of certain assets within the Initial Properties is expected to provide economies of scale in local markets, translating into stable and competitive operating expenses. Examples of Huntingdon's commitment to lowering operating costs include engaging property tax appeal specialists to lower property tax costs to tenants as well as upgrading heating and ventilation equipment to lower operating costs.

External Growth

The REIT's external growth strategy will include the following:

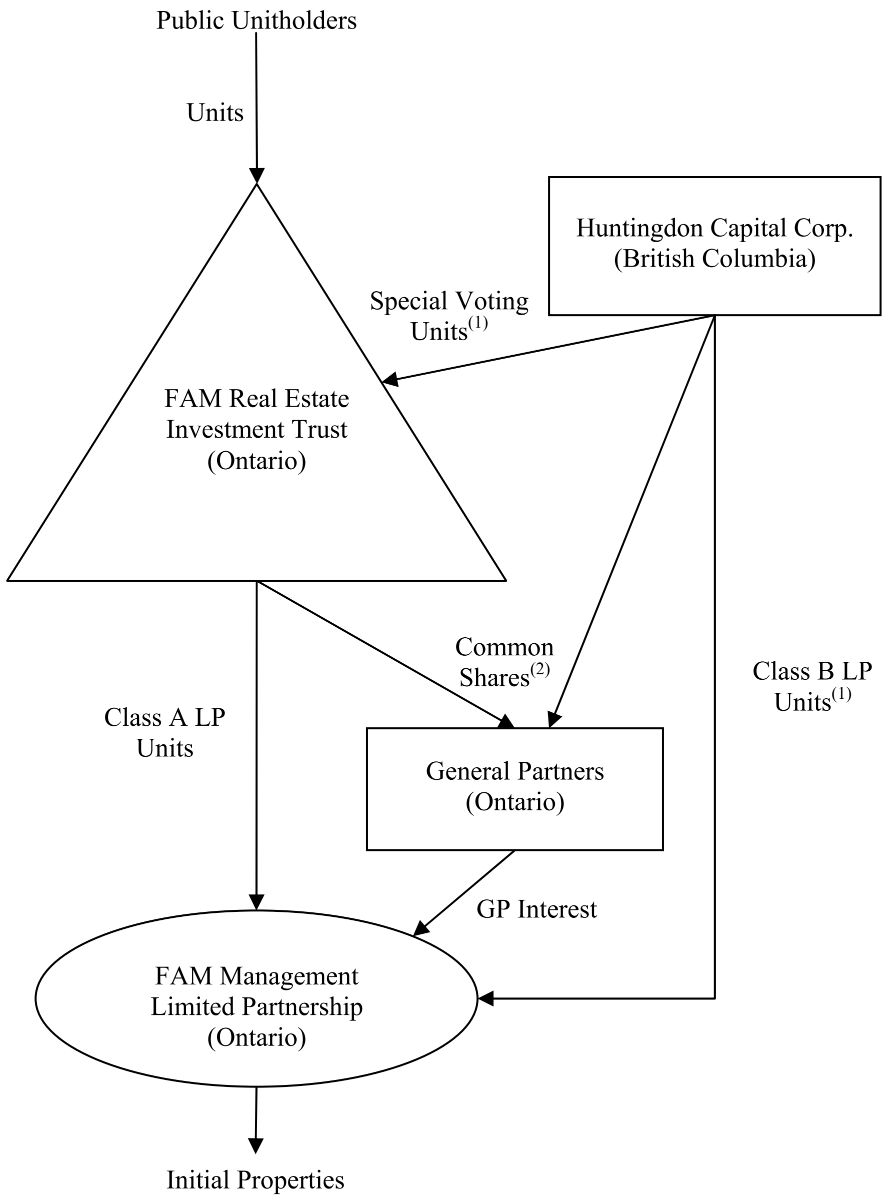
- ***Accretive acquisitions of stabilized properties.*** Huntingdon's familiarity with the REIT's Initial Properties will be invaluable in identifying acquisition opportunities that are complementary to the Initial Properties, aligned with the REIT's investment criteria and accretive to cash flow. The REIT will seek to acquire properties within the industrial, office and retail sectors, expanding the diversity of the asset base and focusing on tenant quality, stability of cash flows, local market conditions, the potential to improve operating efficiencies and capital appreciation opportunities.

- ***Geographic expansion, increasing diversity and reducing the REIT's cost of capital.*** Huntingdon's experience in key real estate markets and across asset classes will allow the REIT to actively seek opportunities within Canada and the U.S. in order to enhance geographic diversity, improve the sustainability of cash flows and mitigate exposure to individual local market risk factors. Management anticipates an expanded geographic footprint will result in a reduction in the REIT's cost of capital which will facilitate further growth and reduce lending costs.

- ***Right of First Offer with Huntingdon.*** The REIT will seek to leverage its relationship with Huntingdon to access the industrial, office and retail properties owned or subsequently acquired by Huntingdon. The REIT expects Huntingdon to offer its assets to the REIT as properties become stabilized and suitable under the REIT's investment criteria. The REIT will have a right of first offer on properties to be sold by Huntingdon that meet the REIT's investment criteria. See "Retained Interest – Right of First Offer".

ORGANIZATIONAL STRUCTURE

The following chart sets out the organizational structure of the REIT immediately following Closing:



Notes:

(1) Each Class B LP Unit will be accompanied by one Special Voting Unit of the REIT which will provide Huntingdon with a right to vote on matters respecting the REIT proportionate with its retained indirect ownership in the REIT.

(2) There will be two general partners, one of which will be wholly-owned by the REIT and the other which will be owned by the REIT and Huntingdon. See "FAM LP".

INDUSTRY AND COMPETITIVE LANDSCAPE

Canada

The Canadian economy has demonstrated strong growth in real GDP since emerging from the 2008-2009 recessionary period, with 3.2% and 2.3% growth in 2010 and 2011, respectively. Canada is expected to continue this trend with growth of 2.3% expected for 2012. Increasing strength in the U.S. economy is expected to contribute to an increased pace of growth in 2013 and 2014.

The volatile global economic environment largely caused by uncertainty surrounding European sovereign debt continues to present a challenge to a full economic recovery in Canada. Nevertheless, Canada's comparatively strong capital markets and the current low interest rate environment have Canadian businesses well positioned for expansion, which is expected to result in strong demand for commercial real estate in Canada.

	2009A	2010A	2011A	2012F	2013F	2014F
Real GDP Growth	(2.8%)	3.2%	2.3%	2.3%	2.8%	2.7%
Consumer Price Index Growth	0.3%	1.8%	2.9%	1.9%	2.2%	2.2%
Retail Sales Growth	(2.9%)	5.5%	3.6%	4.9%	4.6%	4.4%
Unemployment Rate	8.3%	8.0%	7.5%	7.3%	6.8%	6.3%
Population Growth	1.2%	1.2%	1.0%	1.2%	1.2%	1.2%

Source: The Conference Board of Canada, Metropolitan Outlook Summer 2012, p.1.

Manitoba

Manitoba has experienced strong economic performance and is expected to continue to attract international migrants, with over 42,000 new residents expected over the next three years. Real GDP is expected to grow by 2.9% and 2.4% in 2012 and 2013, respectively, as a result of increased output in the goods-producing industries including agriculture and manufacturing. It is anticipated that growth in the province's agricultural sector will exceed 19% in 2012 on account of improved farming conditions and strong prices. Manitoba's manufacturing sector, which includes food processing, aerospace and heavy-duty transit industries, is expected to grow at a healthy pace over the near term, as major manufacturers receive large orders and add to existing backlogs.

	2009A	2010A	2011A	2012F	2013F	2014F
Real GDP Growth	(0.2%)	2.2%	1.6%	2.9%	2.4%	2.8%
Consumer Price Index Growth	0.6%	0.8%	2.9%	2.0%	2.3%	2.2%
Retail Sales Growth	(0.4%)	5.6%	4.5%	2.9%	4.2%	4.1%
Unemployment Rate	5.3%	5.4%	5.4%	5.3%	5.2%	5.2%
Population Growth	1.1%	1.3%	1.3%	1.3%	1.5%	1.5%

Source: The Conference Board of Canada, Provincial Outlook Summer 2012, Manitoba, p.1.

Winnipeg Economic Overview

Overview

Winnipeg's population has grown in recent years with the population reaching 691,800 people in 2011 (an increase of over 54,000 people during the past decade). Growth has been primarily the result of increased immigration and changes in migration patterns within Canada (intra-provincial and inter-provincial). In 2011, migration to the Winnipeg area increased almost 6.0%, as a greater share of the province's international migrants settled in the city.

Winnipeg's economy is one of Canada's most diversified economies and is expected to post positive GDP growth of 2.0% and 2.2% in 2012 and 2013, respectively. Job creation in Winnipeg has returned to a position of growth in the first quarter of 2012, recording a year-over-year increase of 1.8% and undergoing a shift from part-time to increased full-time employment. Economic growth is expected to be particularly strong in the manufacturing sector, with manufacturing output projected to increase by 2.5% in 2013. Additionally, the construction sector will benefit from Winnipeg's budgeted capital project initiatives, which are expected to result in $2.3 billion of investment over the next six years (of which $393 and $468 million are expected to be spent in 2012 and 2013, respectively).

Winnipeg is an attractive place to do business and was recently ranked as the most cost competitive city in Western Canada. The city features the lowest business costs among all 25 cities examined in the Midwest U.S./Western Canada region.

	2009A	**2010A**	**2011A**	**2012F**	**2013F**	**2014F**
Real GDP Growth	(0.6%)	2.3%	1.7%	2.0%	2.2%	2.7%
Consumer Price Index Growth	0.6%	0.8%	2.9%	2.0%	2.3%	2.2%
Retail Sales Growth	(1.4%)	5.8%	3.9%	2.7%	4.3%	4.0%
Unemployment Rate	5.5%	5.7%	5.7%	5.6%	5.6%	5.5%
Population Growth	1.4%	1.5%	1.4%	1.3%	1.3%	1.3%

Source: The Conference Board of Canada, Metropolitan Outlook Autumn 2012, p.4.

Industrial Real Estate Market

Winnipeg's industrial real estate market continued to experience strong demand in the second quarter of 2012. The availability rate was unchanged from the previous quarter at 3.5% and was the lowest in the country. In addition, positive absorption was observed for the fourth consecutive quarter driven by strong leasing activity and limited available space in the market. While there are several construction projects nearing completion and a considerable amount of industrial projects planned, these developments should have a muted effect on future absorption as the new buildings have already secured tenants pending completion of construction. This positive trend should also continue as demand remains strong for the majority of industrial buildings in the city's industrial parks.

Office Real Estate Market

The Winnipeg office market continues to experience high levels of demand, with an overall vacancy rate of 9.8% in the second quarter of 2012. Winnipeg's downtown Class A office buildings demonstrated particular strength with a vacancy rate of 4.3%. The city's suburban Class B office buildings recorded the largest decrease in vacancy rates of all its major city peers, dropping 110 basis points from the first to second quarter of 2012.

Alberta

Alberta continues to exhibit solid economic performance, with expected real GDP growth of 3.8% and 3.0% in 2012 and 2013, respectively. Oil sands development will continue to be a significant source of growth for Alberta. Non-conventional production is projected to expand significantly over the next five years, resulting in an increase in export capacity as domestic demand stabilizes. In addition, non-residential investment in the energy sector is also expected to increase by 11.4% and 9.5% in 2012 and 2013, respectively.

	2009A	2010A	2011A	2012F	2013F	2014F
Real GDP Growth	(4.4%)	3.3%	3.6%	3.8%	3.0%	3.4%
Consumer Price Index Growth	(0.1%)	1.0%	2.4%	1.3%	2.1%	2.2%
Retail Sales Growth	(8.3%)	6.0%	7.2%	9.4%	6.4%	5.0%
Unemployment Rate	6.6%	6.5%	5.5%	4.7%	4.5%	4.3%
Population Growth	2.3%	1.4%	1.5%	2.3%	2.0%	1.8%

Source: The Conference Board of Canada, Provincial Outlook Summer 2012, Alberta, p.1.

Saskatchewan

Saskatchewan's economy continues to perform well, with real GDP expected to grow 2.4% and 3.4% in 2012 and 2013, respectively, primarily as a result of increased activity in the mining sector. High demand for potash and other fertilizers is expected to drive the industry to expand more than 30% in 2013. Saskatchewan's agricultural sector, which is expected to grow by 5.6% this year, is poised to benefit from improved growing conditions and a strong pricing environment.

	2009A	2010A	2011A	2012F	2013F	2014F
Real GDP Growth	(4.0%)	4.2%	5.2%	2.4%	3.4%	3.5%
Consumer Price Index Growth	1.1%	1.3%	2.8%	1.9%	2.1%	2.2%
Retail Sales Growth	(0.5%)	3.1%	8.9%	6.0%	4.8%	4.9%
Unemployment Rate	4.8%	5.2%	5.0%	4.8%	4.5%	4.3%
Population Growth	1.5%	1.4%	1.3%	1.7%	1.3%	1.2%

Source: The Conference Board of Canada, Provincial Outlook Summer 2012, Saskatchewan, p.1.

Ontario

Ontario's economy is well positioned to exhibit strong growth in the near future given the significant recent investment made in non-residential construction and machinery as well as a resurgence of automotive sales in the U.S. Real GDP growth is expected to be 2.1% and 2.3% in 2012 and 2013, respectively. Ontario's automotive sector continues to generate growth, with auto production increasing 19% in the first half of 2012. Overall manufacturing growth is anticipated to reach 3.4% in 2012 and significant investments in non-residential structures, machinery and equipment are expected in response to the mining developments in northern Ontario and new projects in the manufacturing industry.

	2009A	2010A	2011A	2012F	2013F	2014F
Real GDP Growth	(3.2%)	3.2%	2.1%	2.1%	2.3%	2.9%
Consumer Price Index Growth	0.4%	2.4%	3.1%	2.1%	2.1%	2.2%
Retail Sales Growth	(2.5%)	5.4%	3.0%	3.4%	4.7%	4.4%
Unemployment Rate	9.0%	8.6%	7.8%	7.9%	7.6%	7.0%
Population Growth	1.1%	1.2%	1.1%	1.1%	1.2%	1.2%

Source: The Conference Board of Canada, Provincial Outlook Summer 2012, Ontario, p.1

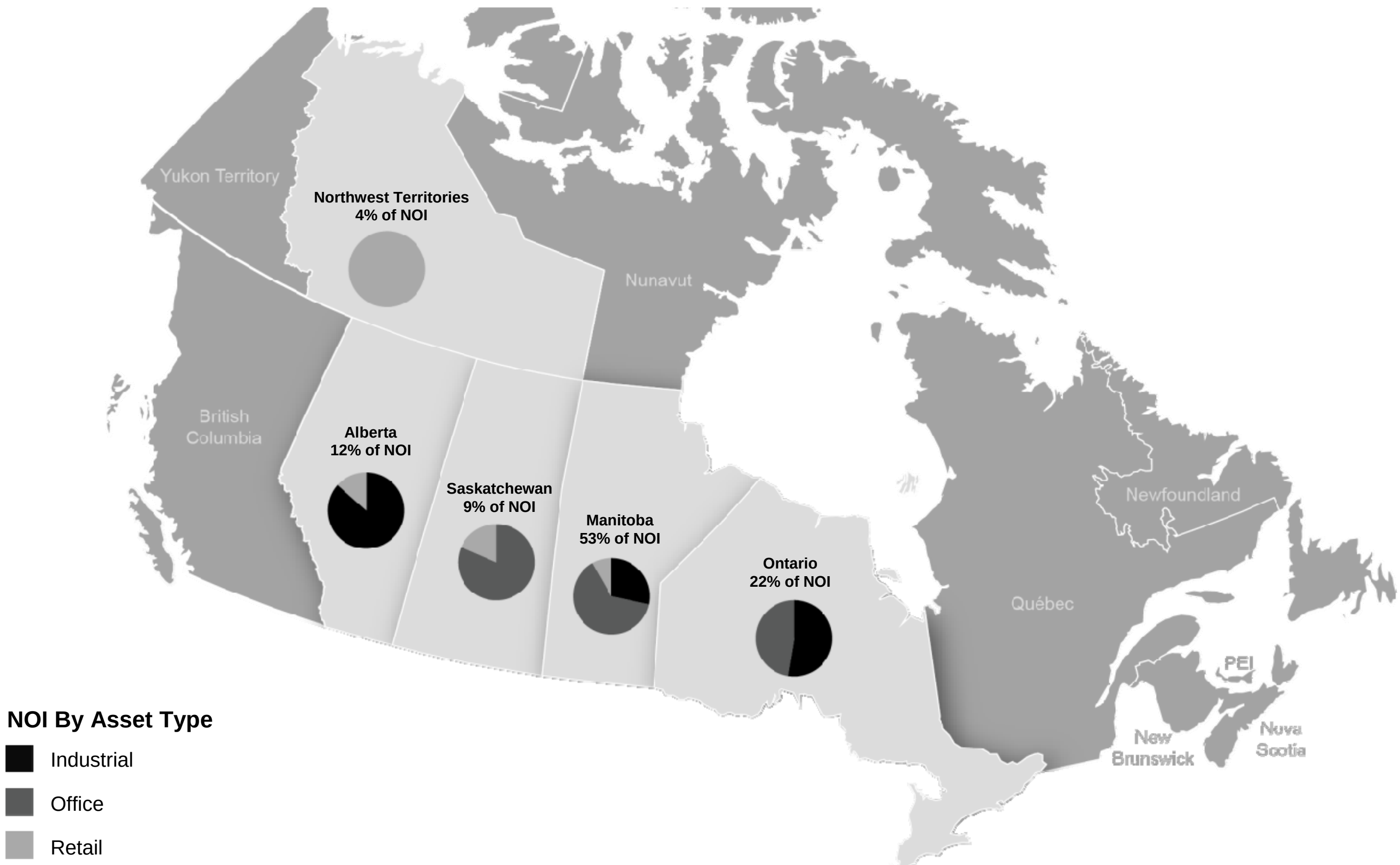
THE INITIAL PROPERTIES

Overview

The Initial Properties consist of 1,659,633 square feet of GLA. The Initial Properties are well-located within attractive markets and in management's opinion present an attractive long-term investment opportunity given their characteristics, which include high occupancy and tenant retention rates as well as staggered lease and debt maturities. On a portfolio basis, the Initial Properties have a low risk profile due to tenant, asset class and geographic diversification, which will serve to provide stability of cash flows.

The Initial Properties are stabilized commercial properties that management believes are most suitable for the real estate investment trust structure as they provide the REIT with a: (i) diversified platform based on both geographic location (located across four provinces and one territory) and asset class (with a well balanced mix of industrial, office and retail properties); (ii) a conservative leverage ratio compared to other small-cap real estate investment trusts (the REIT's initial debt to GBV ratio will be 55% (based on appraised value)); (iii) a staggered debt maturity profile; (iv) a strong tenant base with significant national and government tenants; and (v) a well-distributed lease maturity profile with the opportunity for organic growth on lease rollovers due to the rents being below market in management's estimate.

The following map outlines the geographic distribution of the Initial Properties. The map also indicates the contribution to the REIT's forecast NOI for the 12-month period ended December 31, 2013 and the breakdown of the Initial Properties by asset class.



The following table provides information regarding the Initial Properties:

#	Property	City, Province	Year Built / Renovated or Expanded	Area (sf)	Number of Tenants[7]	Occupancy[7]
Industrial Properties						
1.	35 Martin Way	Brooks, AB	2005	28,400	1	100%
2.	5404 36th Street SE	Calgary, AB	1980	36,000	1	100%
3.	7001 96th Street	Grande Prairie, AB	1980	33,280	1	100%
4.	891 – 895 Century Street	Winnipeg, MB	1961 / 1968	51,835	5	100%
5.	110 Lowson Crescent	Winnipeg, MB	1996	60,903	2	100%
6.	130 Lowson Crescent	Winnipeg, MB	1999	25,672	1	100%
7.	119 – 130 Plymouth Street	Winnipeg, MB	1977 / 1999	43,364	1	100%
8.	1271 Sargent Avenue	Winnipeg, MB	1981 / 1984	40,893	1	100%
9.	1855 Sargent Avenue	Winnipeg, MB	1953 / 1998	77,500	1	100%
10.	1935 Sargent Avenue[1]	Winnipeg, MB	1962 / 1997	113,864	1	100%
11.	505 Industrial Drive	Milton, ON	2002	258,960	1	100%
Office Properties						
12.	Saskatchewan Place	Regina, SK	1985	84,243	10	97%
13.	280 Broadway Avenue[2]	Winnipeg, MB	1957	115,354	2	100%
14.	585 Century Street[3]	Winnipeg, MB	1959	9,680	1	100%
15.	220 Cree Crescent	Winnipeg, MB	1980	18,000	3	100%
16.	1680 Ellice Avenue[3]	Winnipeg, MB	1980	29,843	5	90%
17.	1030 – 1040 Empress Street	Winnipeg, MB	1956 / 1983	33,478	3	100%
18.	114 Garry Street	Winnipeg, MB	1950 / 1995	74,248	1	100%
19.	220 Portage Avenue[4]	Winnipeg, MB	1966 / 1988	85,079	9	98%
20.	1336 – 1340 Sargent Avenue	Winnipeg, MB	1950 / 1995	42,092	2	100%
21.	895 Waverley Street	Winnipeg, MB	1991	34,435	3	100%
22.	1000 Waverley Street	Winnipeg, MB	1966 / 1998	58,515	2	72%
23.	1189 Colonel Sam Drive	Oshawa, ON	2001	103,179	1	100%
Retail Properties						
24.	125 – 185 First Street	Cochrane, AB	1998	15,757	3	93%
25.	Humboldt Mall	Humboldt, SK	1986	106,145	10	69%
26.	Flin Flon Wal-Mart	Flin Flon, MB	2002	63,439	1	100%
27.	Airport Road Shopping Centre	Yellowknife, NWT	1982 / 2003[5]	15,475	3	100%
TOTAL/WEIGHTED AVERAGE				**1,659,633**	**75[6]**	**96%**

Notes:

(1) Leasehold interest.
(2) Includes a seven-storey office building at 280 Broadway Avenue, a three-storey multi-family residential building located at 70 Smith Street and two parking lots located at 286 Broadway Avenue and 68 Smith Street. Excludes residential tenants at 70 Smith Street.
(3) 1680 Ellice Avenue and 585 Century Street comprise the Century Business Park.
(4) On Closing, the REIT will indirectly own a 50% non-managing interest in this property. 85,079 square feet represents the REIT's 50% interest.
(5) Airport Road Shopping Centre consists of the following two buildings: 307 Old Airport Road was originally built in 1993 and was subsequently renovated in 2003 and 309 Old Airport Road was originally built in 1982 and subsequently renovated in 2001.
(6) The Initial Properties have 68 tenants who occupy the Initial Properties through 75 separate tenancies.
(7) As of November 1, 2012.

The following table shows the contribution of the Initial Properties to total NOI (based on forecast NOI for the 12-month period ended December 31, 2013) for each province in which the Initial Properties are located and by asset class.

	Industrial	Office	Retail	Total
Manitoba	16%	34%	3%	**53%**
Alberta	10%	0%	2%	**12%**
Saskatchewan	0%	7%	2%	**9%**
Ontario	12%	10%	0%	**22%**
Northwest Territories	0%	0%	4%	**4%**
Total	**38%**	**51%**	**11%**	**100%**

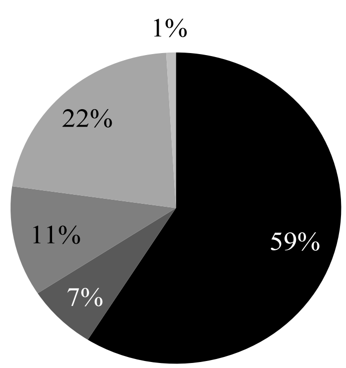
Composition of the Initial Properties

Geographic Composition

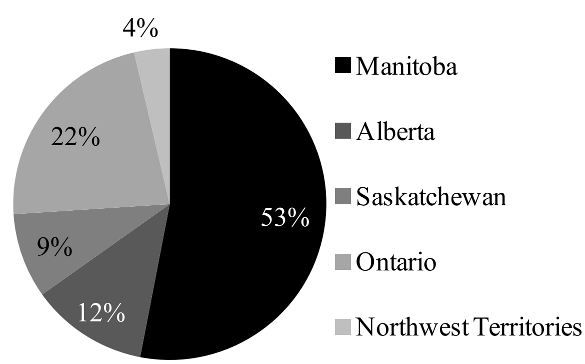
The Initial Properties are located in Manitoba, Alberta, Saskatchewan, Ontario and the Northwest Territories, with properties in Manitoba representing 59% of the GLA and 53% of the forecast NOI. Twenty-one of the Initial Properties are industrial and office properties located in large markets including the GTA, Calgary, Winnipeg and Regina (1,397,137 square feet of GLA and 2013F NOI of $11.3 million). Six of the Initial Properties are industrial, office and retail properties located in strategic medium and small markets including Grande Prairie, Yellowknife, Cochrane, Brooks, Humboldt and Flin Flon (262,496 square feet of GLA and 2013F NOI of $2.7 million).[5]

Seventeen of the Initial Properties (55% of the GLA) are located in Winnipeg, which has demonstrated strong GDP growth, increased employment levels and migration to the region. The strength of Winnipeg's economy has resulted in growing demand for commercial real estate space, leading to decreased vacancy rates and upward pressure on market rents in the region.

GLA by Province



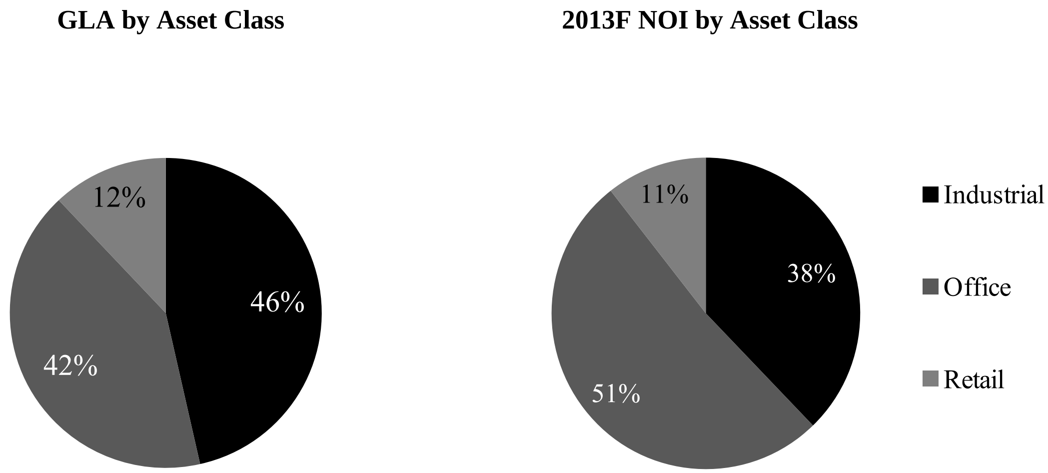
2013F NOI by Province



[5] Based on Statistics Canada's 2011 definition of population centres (small less than 30,000 people, medium greater than 30,000 people and less than 100,000 people, and large greater than 100,000 people).

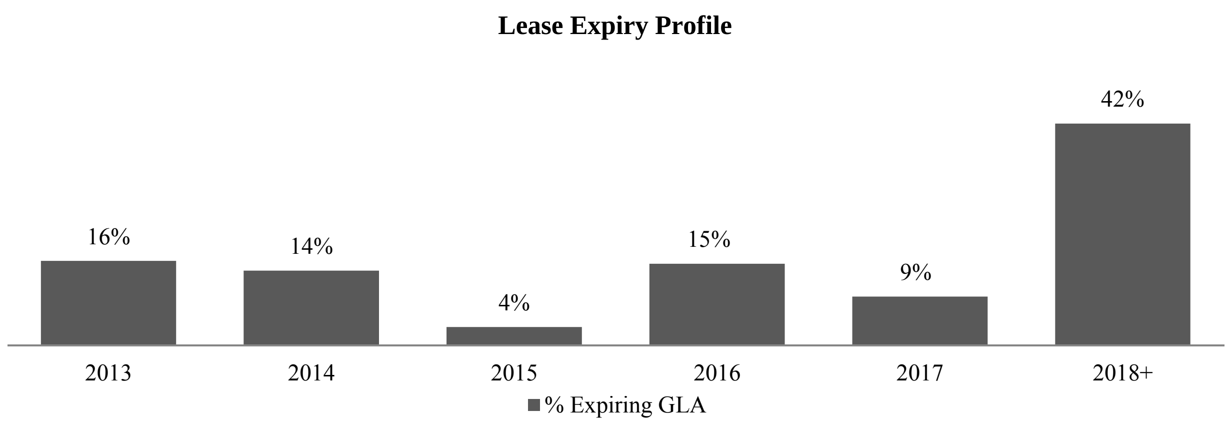
Asset Class Distribution

The Initial Properties consist of a well-balanced mix of properties across the industrial, office and retail real estate classifications. The following graphs describe the asset class distribution of the Initial Properties, measured by GLA and NOI:



Occupancy and Leasing

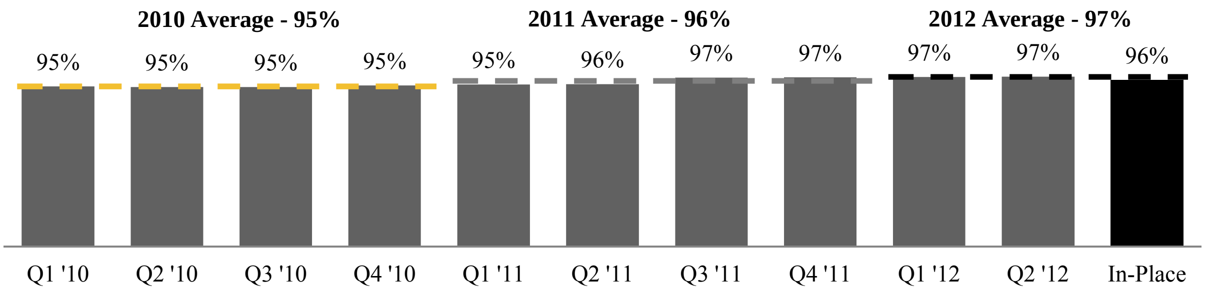
The following graph sets out the percentage of GLA of the Initial Properties subject to lease expiries during the periods shown:



The Initial Properties have an overall occupancy of 96% with an average remaining lease term of approximately 6.0 years. No more than 16% of the leased GLA expires in any given year from 2013 to 2017.

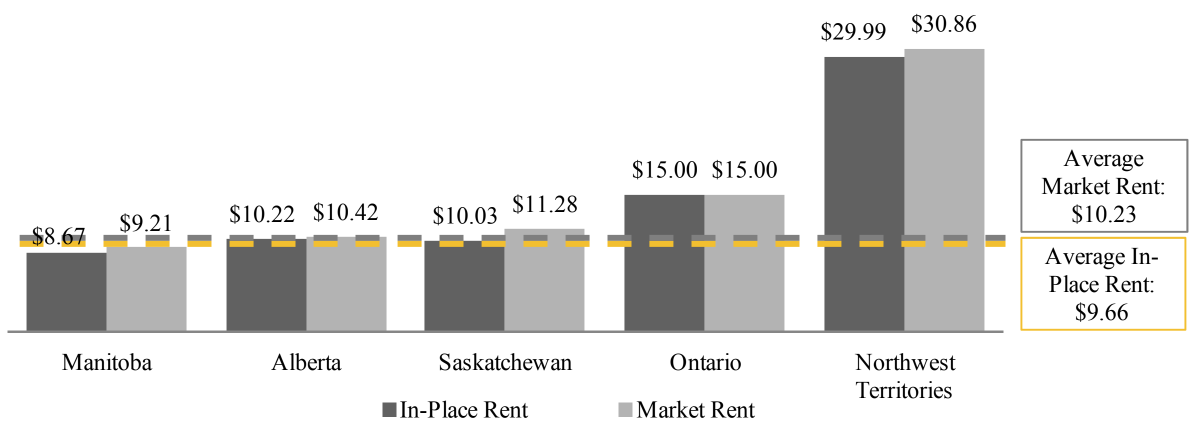
Over the previous eight quarters, the weighted average occupancy rate of the Initial Properties was 96% and, since January 2010, has not fallen below 95%. The following chart shows the historical occupancy for the Initial Properties:

Historical Occupancy



Average in-place rent is 6% lower than management's estimated average market rent, which presents an opportunity to capture rent increases as leases are renewed. Management also seeks to include contractual rent escalators in leases to further facilitate growth in rental income. The following chart compares the in-place rent for the Initial Properties to Huntingdon's estimate of the current market rent in each of the provinces in which the Initial Properties are located. Huntingdon has based its estimates of current market rents on recent appraisals obtained from CB Richard Ellis.

In-Place vs. Market Rent by Province(1)



Notes:

(1) In-place and market rents exclude 35 Martin Way, 7001 96th Street and 505 Industrial Drive, three single-tenant properties with long-term lease expirations. The Petro Canada at Airport Road Shopping Centre in Yellowknife has also been excluded from this comparison as the tenant is no longer operational.

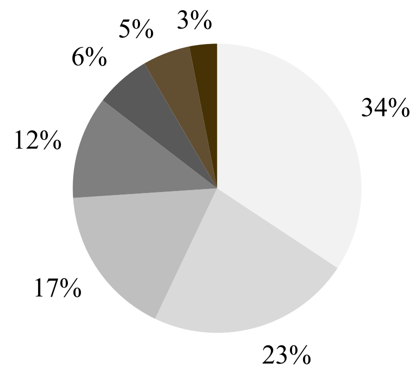
Tenant Mix

The tenant base in the Initial Properties is well-diversified, with many tenants having large national or multi-national footprints. The top 10 tenants of the Initial Properties comprise 60% of owned GLA and 61% of in-place base revenue.

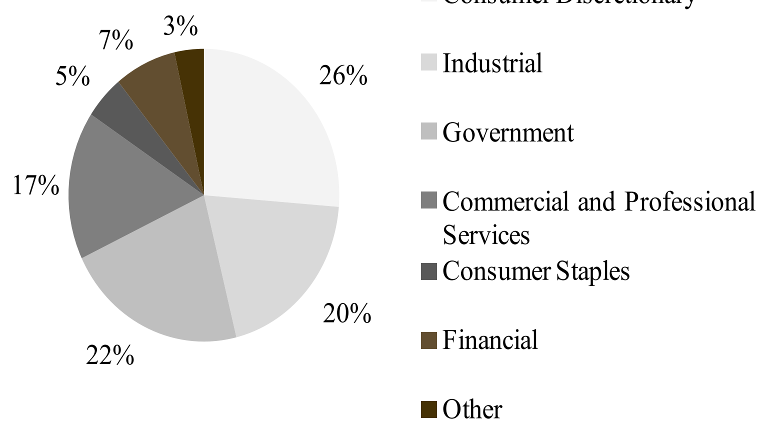
The average tenant size for the Initial Properties is approximately 23,550 square feet of GLA. 54% of the tenants of the Initial Properties occupy less than 10,000 square feet of GLA which reduces the REIT's exposure to any one tenant of the Initial Properties. It has been Huntingdon's experience that small areas are generally less costly to re-lease in cases where tenants vacate.

The following charts show the current tenant base of the Initial Properties by GLA and base rent:

Tenant Base by GLA



Tenant Base by Base Rent



Top 10 Tenants

The following table lists the top 10 tenants of the Initial Properties by GLA:

Tenant	Owned GLA (000s Square Feet)	% of Owned GLA	% In-Place Base Rent	Weighted Avg. Remaining Lease Term (yrs)
Northern Group Retail Ltd.	259	15.6%	11.2%	13.5
Province of Manitoba	117	7.0%	8.3%	1.2
Purolator Inc.	114	6.9%	4.6%	9.3
Public Works and Government Services Canada	109	6.6%	10.4%	5.4
Aditya Birla Minacs Worldwide Inc.	103	6.2%	10.0%	4.1
Standard Aero Ltd.	78	4.7%	1.5%	1.8
Wal-Mart Stores, Inc.	63	3.8%	3.4%	10.0
Leader Energy Services Ltd.	62	3.7%	8.4%	14.1
Pritchard Metalfab Ltd.	48	2.9%	1.9%	5.1
White-Wood Distributors Ltd.	43	2.6%	1.7%	1.8
Top 10 Tenants	**996**	**60.0%**	**61.3%**	**7.7**
Other	606	36.5%	38.7%	3.2
Vacant	58	3.5%	-	-
Total	**1,660**	**100.0%**	**100.0%**	**6.0**

Northern Group Retail Ltd.

Headquartered in Somerset, New Jersey, Northern Group Retail Ltd. (“Northern”) is a specialty apparel retailer with more than 275 locations across Canada. Northern has successfully offered products and services since 1985 under the Northern Reflections and Northern Getaway banners. Northern is owned by the Canadian affiliate of York Management Services, Inc., which is a privately-owned investment and management advisory services company. Northern leases 258,960 square feet at 505 Industrial Drive in Milton, Ontario which represents 15.6% of the REIT's owned GLA. The location has easy access to the 400 series of highways and the Lester B. Pearson International Airport.

Province of Manitoba

The Province of Manitoba is comprised of the operations, programs, and services delivered by government departments and other entities such as Crown corporations, government business entities and public sector organizations in the Province of Manitoba. The Province of Manitoba generates annual revenue of approximately $11.1 billion. The Province of Manitoba has leases at three properties for a combined leased area of 116,680 square feet, which represents 7.0% of the REIT's owned GLA.

Purolator Inc.

Headquartered in Mississauga, Canada and founded in 1960, Purolator Inc. ("Purolator") provides integrated freight and parcel solutions in Canada and internationally. It offers third-party logistics, supply chain, and less-than-truckload services and has additional offices in Buffalo, New York and Los Angeles, California. Purolator is a subsidiary of Canada Post Corporation, which is a Crown corporation and functions as the country's primary postal operator. With a workforce of approximately 12,500, Purolator is estimated to have annual revenue of approximately $3.5 billion. Purolator occupies 113,864 square feet of warehousing and sorting space at 1935 Sargent Avenue in Winnipeg, Manitoba, adjacent to the Winnipeg James Armstrong Richardson International Airport. Purolator's tenancy represents approximately 6.9% of the REIT's owned GLA.

Public Works and Government Services Canada

Headquartered in Gatineau, Québec, Public Works and Government Services Canada ("PWGSC") is the Government of Canada's manager and steward of common office space and provider of real estate services. Employing approximately 14,000 people, PWGSC provides accommodation, purchasing, banking, information technology and translation services to the Government of Canada. PWGSC offers goods and services buying and selling; payroll and pension administration; public sector management and operations optimization consulting; information management and technology infrastructure; and translation, interpretation, terminology and linguistic services. PWGSC leases units in 280 Broadway Avenue in Winnipeg, Manitoba as well as Saskatchewan Place in Regina, Saskatchewan. These leases amount to 108,730 square feet, which represents 6.6% of the REIT's owned GLA.

Aditya Birla Minacs Worldwide Inc.

Headquartered in Toronto, Canada and founded in 1981, Aditya Birla Minacs Worldwide Inc. ("Minacs") is a subsidiary of Aditya Birla Group., which is a diversified Indian conglomerate. Minacs is a business and technology outsourcing company that provides customer lifecycle, marketing, finance and accounting, procurement and IT solutions and services in Canada and internationally. In addition, it offers product and technical support, retention and loyalty, channel support, and CRM technology solutions and receivables management solutions. The company serves corporations in a variety of industries including manufacturing, retail, telecom, technology, media and entertainment, banking, insurance, healthcare, and public sectors. In Oshawa, a main focus includes operating customer support for General Motors Company's "OnStar" service. Minacs generates over $300 million in revenue and has locations in Canada, Germany, Hungary, India, Jamaica, the Philippines, the United Kingdom and the U.S. with approximately 5,000 employees. Minacs leases 103,179 square feet at the Minacs Building located at 1189 Colonel Sam Drive in Oshawa, Ontario which represents 6.2% of the REIT's owned GLA.

Standard Aero Ltd.

Headquartered in Winnipeg, Manitoba and founded in 1911, Standard Aero Ltd. ("Standard Aero") is a subsidiary of Dubai Aerospace Enterprise and is one of the largest independent maintenance, repair, overhaul and aviation service businesses in the world providing service to commercial, military, business aviation, helicopters and industrial operators. Standard Aero operates across five major categories: business aviation, airlines and fleets, government and military, helicopter programs and energy and industrial. Standard Aero has locations in the U.S., Canada, Europe, Asia and Australia to serve customers in over 80 countries. Standard Aero generates approximately $140 million in annual revenue and employs over 3,700 people. Standard Aero leases 77,500 square feet at 1855 Sargent Avenue in Winnipeg, Manitoba, adjacent to the Winnipeg James Armstrong Richardson International Airport. Standard Aero's tenancy represents 4.7% of the REIT's owned GLA.

Wal-Mart Stores, Inc.

Headquartered in Bentonville, Arkansas and founded in 1945, Wal-Mart Stores, Inc. ("Wal-Mart"), operates retail stores in various formats globally (NYSE:WMT). Wal-Mart operates over 10,000 retail units under 69 banners in 27 countries. Wal-Mart employs 2,200,000 people and has annual revenue of approximately $450 billion. Flin Flon's Wal-Mart is located on Flin Flon's main commercial artery and is the only Wal-Mart location in the area. The lease represents 63,439 square feet of space or approximately 3.8% of the REIT's owned GLA.

Leader Energy Services Ltd.

Headquartered in Calgary, Alberta and established in 2001, Leader Energy Services Ltd. ("Leader") is a publicly-traded company that provides well completion and stimulation services for the oil and gas sector in the Western Canadian Sedimentary Basin (TSXV:LEA). Leader's well completion services comprise coiled tubing services, including clean-out, plug retrieval, drill-outs/milling, bit and scraper runs, perforating, and fluid displacement; and nitrogen services, such as pumping down acid, cleaning out wells, and purging wells. Leader has annual revenue of approximately $35 million. Leader is the sole tenant in two of the REIT's properties: 7001 96th Street in Grande Prairie, Alberta and 35 Martin Way in Brooks, Alberta. These leases amount to 61,680 square feet of space, which represents 3.7% of the REIT's owned GLA.

Pritchard Metalfab Inc.

Based in Winnipeg, Manitoba and established in 1966, Pritchard Metalfab Inc. ("Pritchard Metalfab") is a private company that operates as the manufacturing arm of The Pritchard Group. Pritchard Metalfab performs both contract and custom metal fabrication for a wide range of clients in Western Canada, Northern Ontario and the U.S. Midwest and has a presence in almost all industrial sectors, including the agricultural, mining, aerospace, construction and transportation industries. In addition, Pritchard Metalfab specializes in the production and machining of close tolerance, high precision components and also manufactures and markets its own line of proprietary industrial products including dust collectors, airlocks, bag house shakers and pulse jets. Pritchard Metalfab leases approximately 48,100 square feet at 110 Lowson Crescent in Winnipeg, Manitoba, representing 2.9% of the REIT's owned GLA.

White-Wood Distributors Ltd.

Based in Winnipeg, Manitoba, White-Wood Distributors Ltd. ("White-Wood") is a specialty building products distributor which has been selling panel products since 1983. White-Wood sells products such as particleboard, hardwood plywood, industrial plywood, melamine overlay board and several hardware lines to furniture manufacturers, cabinet shops and retail building material stores. White-Wood employs approximately 40 people. White-Wood is the sole tenant at 119-130 Plymouth Street in Winnipeg, Manitoba leasing 43,364 square feet which represents 2.6% of the REIT's owned GLA.

Description of the Initial Properties

Industrial Properties

35 Martin Way, Brooks, Alberta

35 Martin Way is a 28,400 square foot industrial property consisting of three buildings that were built in 2005. The property is situated on 7.4 acres of land. The property is comprised of one 23,000 square foot office/industrial building, a secondary 5,000 square foot storage building as well as a 400 square foot pump shed. The property is 100% leased to Leader through December 2026.

Located on the Trans-Canada Highway and the Canadian Pacific Railway, Brooks is a city in southeast Alberta located approximately 190 kilometres southeast of Calgary. The major industries in Brooks are agriculture, oil and gas, retail and services. Major employers in the city are XL Foods and Smith Group Holdings Ltd. In 2011, Brooks had a population of 13,818 of which 41.8% was between the ages of 19 to 45.

5404 36th Street SE, Calgary, Alberta

5404 36th Street SE is a 36,000 square foot building that was originally built in 1980. The property is situated on 2.6 acres of land at the northwest corner of 36th Street and 54th Avenue South East, in Calgary's Foothills Industrial Park. The property is 100% leased to Doka Canada Ltd. through May 2018.

Located 80 kilometres east of the Canadian Rockies, Calgary is the largest city in Alberta and fifth-largest metropolitan area in Canada. In 2011, Calgary was recognized as a Canadian leader in the oil and gas industry and ranked first nationally by Brookings Institution as a top performing local economy. Provincial institutions such as the Calgary Health Region, City of Calgary and Calgary Board of Education are the largest employers as well as Shaw Communications Inc. Strong demand for industrial space in the first quarter of 2012 continued in the second quarter as evidenced by the 1.0 million square feet of positive absorption, as well as a drop in vacancy rates from 4.9% to 4.3%. Year-to-date, there has been over 1.5 million square feet of absorption as a result of strong economic fundamentals fuelled by the energy sector. Increases in costs of construction, land and a tighter labour supply should also lead to a continued increase in market rents in the coming quarters. In 2011, Calgary had a population of 1,096,833.

7001 96th Street, Grande Prairie, Alberta

7001 96th Street is a 33,280 square foot industrial property consisting of two buildings that were built in 1980. The property is situated on 14.8 acres of land. The main building consists of 10,280 square feet of developed office space and 18,000 square feet of industrial space, with the remaining 5,000 square feet located in a secondary storage facility. The property is 100% leased to Leader through December 2026.

Located on the southern edge of the Peace River Country, Grande Prairie is a city in Alberta located approximately 460 kilometres northwest of Edmonton. Grande Prairie's economy is dominated by forestry, agriculture and oil and gas. The Weyerhaeuser Canada Kraft pulp mill and the Canfor saw mill and lumber yard are among Grande Prairie's major employers. In 2011, Grande Prairie had a population of 55,032.

891 – 895 Century Street, Winnipeg, Manitoba

891 – 895 Century Street is a 51,835 square foot industrial facility consisting of two adjacent single-storey buildings which were originally built in 1961 and subsequently renovated in 1968. The property is situated on 2.3 acres of land and is located on the east side of Century Street, between Wellington Avenue and Saskatchewan Avenue in Winnipeg, Manitoba. The property is 100% leased with the major tenant being Bill Knight Flooring and Carpets Ltd. occupying 36,462 square feet (70.3% of GLA with 31,022 square feet expiring in April 2016 and 5,440 square feet expiring in July 2016).

110 Lowson Crescent, Winnipeg, Manitoba

110 Lowson Crescent is a 60,903 square foot office/warehouse consisting of three conjoined buildings that were originally built in 1996. The property is situated on 4.2 acres of land located on Lowson Crescent, north of

Rothwell Road in the Tuxedo Industrial Park in Winnipeg, Manitoba. The property is 100% leased to two tenants, Pritchard Metalfab (79.0% of GLA, expiring December 2017) and R.S.C Inc. (21.0% of GLA, expiring in November 2014).

130 Lowson Crescent, Winnipeg, Manitoba

130 Lowson Crescent is a 25,672 square foot single-storey office/warehouse building that was originally built in 1999. The property is situated on 4.3 acres of land and is located on Lowson Crescent, north of Rothwell Road in the Tuxedo Industrial Park in Winnipeg, Manitoba. The property is 100% leased through March 2020 to Fort Garry Brewing Co., a subsidiary of Russell Breweries (TSXV: RB).

119 – 130 Plymouth Street, Winnipeg, Manitoba

119 – 130 Plymouth Street is a 43,364 square foot industrial facility consisting of two warehouse buildings that were originally built in 1977 and in 1999. The property is situated on 2.9 acres of land on Plymouth Street, between Inkster Boulevard and Church Avenue, in the Inkster Industrial Park in Winnipeg, Manitoba. The property is 100% leased to White-Wood through August 2014.

1271 Sargent Avenue, Winnipeg, Manitoba

1271 Sargent Avenue is a 40,893 square foot single-storey building of primarily warehouse space, with ancillary office space that was originally built in 1981 with an addition in 1984. The property is situated on 1.6 acres of land at the northeast corner of Empress Street and Sargent Avenue in the St. James Industrial Park in Winnipeg, Manitoba. The property is 100% leased to Uni-Select Inc., a distributor of replacement parts, equipment tools and accessories for motor vehicles in North America, through April 2017.

1855 Sargent Avenue, Winnipeg, Manitoba

1855 Sargent Avenue is a 77,500 square foot industrial building that was originally built circa 1953 and subsequently renovated in 1998. The property is situated on 3.2 acres of land on the north side of Sargent Avenue between Berry Street and Ferry Road in the St. James Industrial Park in Winnipeg, Manitoba. The property is 100% leased to Standard Aero through September 2014.

1935 Sargent Avenue, Winnipeg, Manitoba

1935 Sargent Avenue is a 113,864 square foot industrial facility consisting of two buildings that were originally built in 1962 and 1997. The property is situated on 5.7 acres of land in two non-contiguous parcels and is located adjacent to the Winnipeg James Armstrong Richardson International Airport in Winnipeg, Manitoba. One of the parcels has a 91,544 square foot sorting facility and the other parcel has a 22,320 square foot warehouse building and a small storage shed. The property is 100% leased to Purolator through February 2022. The REIT holds a leasehold interest in this property with the Winnipeg Airports Authority through 2036.

505 Industrial Drive, Milton, Ontario

505 Industrial Drive is a 258,960 square foot single-storey office/warehouse building which was originally built in 2002. The property is situated on 10.7 acres on the northeast corner of Industrial Drive and Hannant Court and is easily accessible from Highways 25 and 401. The property is 100% occupied by Northern through May 2026. The tenant under the lease has the option to purchase the property at any time with 90 days notice at a price equal to the greater of $17,250,000 and fair market value (as determined by mutual agreement or, failing such agreement, arbitration).

Milton is a city in Southern Ontario located approximately 40 kilometres west of downtown Toronto and is part of the Greater Toronto Area. Milton's economy is dominated by automotive, advanced manufacturing, distribution and food production. Major employers in the city are Karmax Heavy Stamping, a producer of Class A metal car body panels and sub-assemblies for the auto industry, Manheim Auto Auctions Company, a wholesale vehicle auction operation and Sobeys Milton Retail Support Centre. In 2011, Milton had a population of 84,362.

Office Properties

Saskatchewan Place, Regina, Saskatchewan

Saskatchewan Place is an 84,243 square foot six–storey office building located at 1870 Albert Street that was originally built in 1985. The property is located on 1.2 acres on the corner of 12th Avenue and Albert Street on the west side of Regina's central business district. The property is 97.4% leased and the main tenants are Saskatchewan Property Management Corporation (50.9% of GLA, expiring in May 2015) and PWGSC (27.5% of GLA, expiring between April 2013 and May 2015).

Regina is the capital of Saskatchewan and is home to the University of Regina and Saskatchewan Institute of Applied Science and Technology. Regina's economy is characterized by oil, natural gas and potash. Class B buildings represent 49.0% of the total inventory in Regina's competitive office market. During the second quarter of 2012, vacancy rates decreased to 1.4%. Major employers in the city are the Government of Saskatchewan, Imperial Oil, Crown Life and Viterra Inc. In 2011, Regina had a population of 193,100.

280 Broadway Avenue, Winnipeg, Manitoba

280 Broadway Avenue is a 115,354 square foot seven-storey office building that was originally built in 1957. The land also includes a small 15 unit multi-family residential building located at 70 Smith Street, as well as two parking lots located at 286 Broadway Avenue and 68 Smith Street which have 123 and 85 stalls, respectively. The property is situated on 1.8 acres of land and is located at the corner of Broadway and Smith Street, along the Broadway office corridor in Winnipeg's central business district. 280 Broadway Avenue is currently 100% leased to PWGSC (71.9% of GLA, expiring in July 2019) and the Province of Manitoba (28.1% of GLA, with 23.2% of this GLA expiring in March 2013).

Century Business Park, Winnipeg, Manitoba – Two Properties

Century Business Park consists of two buildings: 1680 Ellice is a 29,843 square foot single-storey office building that was originally built in 1980 and 585 Century Street is a 9,680 square foot office property that was originally built in 1959. The properties are situated on a combined 2.8 acres of land at the corner of Ellice Avenue and Century Street. 1680 Ellice Avenue is 89.8% leased, with the major tenants being the Province of Manitoba (33.6% of GLA, 6,750 square feet expiring in August 2019 and 3,283 square feet expiring in November 2016) and New Directions (20.6% of GLA, expiring in November 2021). 585 Century Street is 100% leased to Elite Communications Inc. through October 2016.

220 Cree Crescent, Winnipeg, Manitoba

220 Cree Crescent is an 18,000 square foot single-storey office/industrial building that was originally built circa 1980. The property is situated on 1.7 acres of land and is located near the intersection of Murray Park Road and Saulteaux Crescent in the Murray Industrial Park, a 180-acre industrial subdivision in St. James, west of the Winnipeg James Armstrong Richardson International Airport. The property is 100% leased, with the major tenants being Grand Medicine Health (59.6% of GLA, expiring in July 2013) and Southern Shade Window & Door Corporation (29.3% of GLA, expiring in April 2015).

1030 – 1040 Empress Street, Winnipeg, Manitoba

1030 Empress Street is a 16,817 square foot strip centre of retail/office/warehouse units that was originally built in 1956 with an addition in 1983. 1040 Empress Street is a single tenant retail and warehouse building with approximately 10,000 square feet of leasable area on the main floor and 6,661 square feet on the mezzanine. The property is situated on 1.5 acres of land and is located at the intersection of Yukon Avenue and Empress Street in the St. James Industrial Park. The property is 100% leased with the two major tenants being Cunningham Business Interiors (64.5% of GLA, expiring in August 2013) and The Governing Council of Salvation Army (31.9% of GLA, expiring in December 2016).

114 Garry Street, Winnipeg, Manitoba

114 Garry Street is a 74,248 square foot two (and part three) storey office property that was originally built in 1950 with an addition in 1995. The property is situated on 0.8 acres of land in the central business district of Winnipeg, on the west side of Garry Street between Broadway and York Avenue. The property is currently 100% leased to the Province of Manitoba through July 2013.

220 Portage Avenue, Winnipeg, Manitoba

220 Portage Avenue is a 170,158 square foot 17-storey office building that was originally built in 1966 and was subsequently renovated in 1988 with an atrium added in 1993. The property is situated on 0.4 acres of land and occupies a premium location in downtown Winnipeg half block west of the intersection of Portage Avenue and Main Street, two of Winnipeg's major thoroughfares. The REIT owns a 50% freehold interest in 220 Portage Avenue. The remaining 50% interest is owned by Canadian Real Estate Investment Trust. The property is 97.5% leased, with the major tenants being The Royal Bank of Canada (48.3% of GLA on a 100% basis, expiring in September 2014) and Great-West Life Assurance Company (42.7% of GLA on a 100% basis, expiring in October 2016). The co-owners agreement with respect to the property contains rights of first refusal, rights of first offer and other buy-sell provisions.

1336 – 1340 Sargent Avenue, Winnipeg, Manitoba

1336 – 1340 Sargent Avenue is a 42,092 square foot office property which consists of two attached, single-storey, multi-purpose buildings. The property was originally built in 1950 with an addition in 1995. The property is situated on 2.0 acres of land and is located on the corner of Sargent Avenue and Arena Road in the St. James Industrial Park. The property is 100% leased to EMCO Corporation (53.5% of GLA, expiring in December 2016) and Cunningham Business Interiors (46.5% of GLA, expiring in August 2013).

895 Waverley Street, Winnipeg, Manitoba

895 Waverley Street is a 34,435 square foot two-storey multi-tenant office building that was originally built in 1991. The property is situated on 1.9 acres of land and is located on the west side of Waverley Street, between Victor Lewis Drive and Wilkes Avenue. The property is 100% leased, with the major tenants being Xerox Canada (34.8% of GLA, expiring in December 2017), KGS MacMillan Inc. (33.5% of GLA, expiring in December 2013) and Librestream Technologies (31.8% of GLA, expiring in October 2019).

1000 Waverley Street, Winnipeg, Manitoba

1000 Waverley Street is a 58,515 square foot single-storey office property that was originally built in 1966 and subsequently renovated in 1998. The building is situated on 3.5 acres of land and is located in the Fort Garry Industrial Park on Waverley Street. The property is 71.7% leased, with the major tenants being Dillon Consulting (43.7% of GLA, expiring in October 2018) and Manitoba Training Sector Network (28.0% of GLA, expiring in July 2013).

1189 Colonel Sam Drive, Oshawa, Ontario

1189 Colonel Sam Drive, which is also known as Minacs Call Centre, is a state-of-the-art three storey, 103,179 square foot office building that was originally built in 2001. The property is situated on 10.8 acres of land near the intersection of Farewell Street and Highway 401 in the General Motors/Beaton Industrial Park, adjacent to the Canadian Head Office of General Motors. The property is 100% leased to Minacs Worldwide Inc. through December 2016.

Oshawa is a city in Ontario located approximately 60 kilometres east of downtown Toronto and is home to the University of Toronto Institute of Technology. Oshawa's economy is characterized by the strong presence of the automotive sector, with General Motors Canada Ltd. being the major employer in the city. In 2011, Oshawa had a population of 149,607.

Retail Properties

125 – 185 First Street, Cochrane, Alberta

125 – 185 First Street is a 15,757 square foot two-building retail strip centre that was originally built in 1998. The property is situated on 1.0 acres of land at the intersection of Highway 1A and Highway 22. The property is currently 92.5% leased, with the major tenants being The New Oak Tree, which sells high-quality handcrafted furniture (56.1% of GLA, expiring in March 2016) and Canada Post Corporation, a Canadian crown corporation that acts as the country's primary postal operator (29.4% of GLA, expiring in August 2022).

Cochrane is located approximately 20 kilometres west of Calgary. The major industries in Cochrane are lumber, construction, retail and agriculture. Major employers are Spray Lake Sawmills, All-Span Building Systems and Dynastream Innovations Inc., which develops "smart" devices using inertial and wireless technology. Cochrane has a population of 17,500.

Humboldt Mall, Humboldt, Saskatchewan

Humboldt Mall is a 106,145 square foot single-storey, enclosed community shopping centre and service station that was built in 1986. Humboldt Mall is the only enclosed shopping centre in the City of Humboldt. The mall is situated on 8.3 acres of land and is located 100 kilometres east of Saskatoon and serves as a local service centre for the surrounding rural area. The property is 81.6% leased with the major tenants being Extra Foods (28.9% of GLA, expiring in March 2017) and The Bargain Shop (23.6% of GLA, expiring in January 2014).

Humboldt's economy is characterized by agriculture, most notably potash and timber, manufacturing, and retail. In 2011, Humboldt had a population of 5,678.

Flin Flon Wal-Mart, Flin Flon, Manitoba

Flin-Flon Wal-Mart is a 63,439 square foot free–standing single tenant retail property that was built in 2002 and is located adjacent to a Canadian Tire. The property is located on a 4.7 acre site off Highway #10A, which is the main commercial artery in Flin Flon. The property is 100% leased to Wal-Mart Canada through November 2022.

Located on the Manitoba and Saskatchewan border, Flin-Flon is approximately 750 kilometres northwest of Winnipeg. Flin-Flon's economy is primarily based on copper and zinc mining generated by Hudbay Minerals, Inc.'s 777 Mine and Trout Lake Mine, which combined, have generated approximately 145 million tonnes of ore since inception 85 years ago to 2011. In addition, Hudbay Minerals, Inc.'s Reed Mine is expected to start full production by late 2013 and employ over 120 employees once full production is reached. In 2011, Flin-Flon had a population of 5,592.

Airport Road Shopping Centre, Yellowknife, Northwest Territories

Airport Road Shopping Centre consists of two, single-storey retail buildings, with a combined leasable area of approximately 15,475 square feet. 307 Old Airport Road was originally built in 1993 and was subsequently renovated in 2003 and 309 Old Airport Road was originally built in 1982 and subsequently renovated in 2001. The property is located on the northwest side of the major artery, Old Airport Road, and is situated on 1.4 acres of land in the Range Lake North commercial area, which is the major retail area outside of downtown Yellowknife. The property is 100% leased to Mark's Work Wearhouse (81.3% of GLA, expiring in January 2016) and Tim Horton's (18.7% of GLA, expiring in June 2017). Petro Canada, which previously had a gas station located at this property, continues to pay rent under their lease but has ceased operation.

Yellowknife is the capital and largest city of the Northwest Territories. The major industries in Yellowknife are mining, industry, transportation and communications. Major employers in the city are the Territorial Government, the Federal Government, Diavik Diamond Mines Inc., Harry Winston Diamond Corporation and BHP Billiton. In 2011, Yellowknife had a population of 18,352 which is expected to grow by over 30% by 2022.

ASSESSMENT AND VALUATION OF THE INITIAL PROPERTIES

Independent Valuation

Huntingdon retained the Appraiser, CBRE Limited, to provide an independent estimate of the fair market value of the Initial Properties. The Appraiser was not given any limiting instructions. The Appraisal has been prepared in conformity with the Canadian Uniform Standards of Professional Appraisal Practice as adopted by the Appraisal Institute of Canada. The Appraisal Institute of Canada defines market value as "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus". According to the Appraisal Institute of Canada, implicit in this definition of market value is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (i) buyer and seller are typically motivated; (ii) both parties are well informed or well advised, and acting in what they consider their own best interests; (iii) a reasonable time is allowed for exposure of each individual property in the open market; (iv) payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and (v) the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Based on the Appraisal, the estimated aggregate market value of the Initial Properties as a portfolio as at September 30, 2012 is $198,365,000, which reflects a blended overall capitalization rate (established in accordance with the methodology described in the Appraisal) for the Initial Properties of 7.46%. The estimated market value of the Initial Properties was determined by the Appraiser using an income valuation approach, which utilized the discounted cash flow method and the direct capitalization method. These valuation methods are traditionally used by investors when acquiring properties similar to the Initial Properties. The Appraiser gave appropriate consideration to a forecast of income for each property in terms of market rental rates, growth levels, vacancy rates, tenant roll-overs, ground lease obligations (where applicable), operating expenses, realty commissions and capital expenditure reserves. The Appraiser visited each Initial Property within six months of the effective date to assess location and physical characteristics and estimated the highest and best use for each property. Appropriate valuation parameters were used, having due regard to the income characteristics, current market conditions and prevailing economic and industry information.

In determining the approximate market value of the Initial Properties, the Appraiser relied on operating and financial data provided by Huntingdon, including leases and projected net operating income. The Appraiser believes that the Appraisal gives appropriate consideration to projected net operating income for each property in terms of occupancy, rental rates, operating expenses, ground lease obligations (where applicable) and provisions for required capital improvements. Specifically, for each property, the Appraiser discussed with management the property's history, current tenant status and future prospects, reviewed historical operating results and reviewed in detail management revenue and expense estimates as set forth in the 2012 operating budgets and historical statements for their reasonableness. Based on its review, and other relevant facts, the Appraiser considered such data to be reasonable and supportable. No portfolio premium was applied in estimating the aggregate market value of the Initial Properties. Further, the cash flow used by the Appraiser may differ from the financial forecast prepared by the management of the REIT, as a result of various items such as market leasing assumptions and property management fees, including reimbursable expenses paid to Huntingdon.

In appraising the Initial Properties, the Appraiser assumed that title to the Initial Properties is good and marketable and did not take into account engineering, environmental, zoning, planning or related issues.

Caution should be exercised in the evaluation and use of appraisal results. An appraisal is an estimate of market value. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The Appraisal is based on various assumptions of future expectations and, while the Appraiser's internal forecasts of net operating income for the Initial Properties is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

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

Environmental Site Assessments

Each of the Initial Properties was the subject of a phase I environmental site assessment report (each a "Phase I ESA Report") prepared by an independent environmental consultant in September through November, 2012.

The Phase I ESA Reports were completed in general accordance with Canadian Standards Association standard Z768-01, dated November 2001 (as reaffirmed in 2012), including (i) a review of previous environmental reports available for each Initial Property, (ii) a historical review of each Initial Property and surrounding properties, (iii) a review of available regulatory databases, (iv) a site reconnaissance, (v) interviews and (vi) an evaluation of information and reporting, subject to report qualifications and limitations.

The purpose of these Phase I ESA Reports was to evaluate known and potential environmental contamination issues at the Initial Properties. Intrusive sampling and analysis were not part of these phase I environmental site assessments. Environmental site assessments involving methane sampling (in one instance) or certain intrusive soil and/or groundwater sampling or re-sampling of existing monitoring wells and analysis (generally referred to as "Phase II ESA") were recommended for 11 of the Initial Properties. The purpose of these Phase II ESAs was to assess the issues of potential or known environmental concern identified in the Phase I ESA Reports.

The Phase I ESA Reports also recommended that appropriate management plans be developed regarding potential and/or management issues identified by the independent environmental consultant with respect to the presence of asbestos-containing materials, PCBs and/or lead-based paints at each of the Initial Properties. Huntingdon has undertaken to complete this work as soon as possible.

All recommended Phase II ESAs have been completed. For three of the Initial Properties, the Phase II ESAs identified the need to develop a remediation action plan ("RAP") which have or will be completed by the independent environmental consultant. Any additional measures identified during the implementation of the RAPs will be addressed by Huntingdon in the timeframe recommended by the independent environmental consultant.

The Phase II ESA's for three of the Initial Properties identified the presence of chlorinated solvents, free-phase products and/or elevated concentrations of petroleum hydrocarbons ("PHC") and/or BTEX and recommended that further work and analysis be undertaken. As a result of this additional analysis, detailed screening level evaluations of human health and ecological risks related to chemical concentrations in soil and/or groundwater identified, under existing conditions at the three Initial Properties, certain unacceptable potential risks to human health (including with respect to indoor workers at the properties) and ecological risks at these Initial Properties and off-site. The detailed screening-level risk assessment for one property also concluded that concentrations of certain parameters represent a potential risk to aquatic life in off-site bodies of surface water and for another property to off-site residential properties.

The environmental consultant concluded that provided the measures identified in the RAP's, recommended risk management plans and in the environmental reports are put in place, the impacts to the Initial Properties do not pose undue ecological or human health risks and that there are no material concerns to off-site water bodies or off-site residential properties. The independent environmental consultant is in the process of developing such risk management plans, which involves conducting indoor air quality testing, implementing suitable measures to improve air quality and regular indoor air quality and groundwater monitoring at the properties, which Huntingdon will begin implementing as soon as possible. The environmental consultant is also recommending the construction of a suitable barrier at two properties to prevent potential off-site migration. Removal of free-phase products from the groundwater and the implementation of certain monitoring programs have also been recommended. Additional soil and/or groundwater remediation may be necessary.

The RAPs for these three Initial Properties noted above include a monitoring program in addition to the removal of the free-phase products where recommended. Huntingdon has undertaken to conduct the necessary work to ensure the removal of the free-phase product as soon as possible or within a specified time period thereafter and to conduct a regular monitoring program going forward.

The environmental consultant has estimated that the aggregate cost to remediate these three Initial Properties will be less than $300,000. Huntingdon will undertake, at its cost, all Recommended Environmental

Work at the Initial Properties and, for a three year period will conduct the recommended monitoring program. Huntingdon will indemnify the REIT in respect of certain environmental matters for a period of three years following Closing. See “The Acquisition – Acquisition Agreement”.

The REIT is not aware of any non-compliance with environmental laws at any of the Initial Properties that would have a material adverse effect on the REIT. The REIT is not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of the Initial Properties that would materially adversely affect the REIT or the values of the Initial Properties, taken as a whole. The REIT will implement policies and procedures to assess, manage and monitor environmental conditions at the Initial Properties, and to manage exposure to potential liability. It is the REIT’s operating policy to obtain a Phase I environmental site assessment conducted by an independent and experienced environmental consultant prior to acquiring a property. If the Phase I ESA Report recommends a Phase II environmental site assessment be conducted, the REIT will conduct a Phase II environmental site assessment, in each case by an independent and experienced environmental consultant. See “Investment Guidelines and Operating Policies – Operating Policies”.

Property Condition Assessments

Property condition assessment reports (“PCA Reports”) were prepared by an independent building engineer for each of the Initial Properties based on a visual walkthrough for the purpose of assessing and documenting the existing condition of each building and major building operating components and systems forming part of the Initial Properties. The PCA Reports were prepared in October 2012. Each of the PCA Reports assessed both work required to be completed immediately (i.e., within 90 days of the audit) and work expected to be performed during the subsequent 10 years in order to maintain appropriate building conditions. Based on the PCA Reports, the Initial Properties are generally in good condition.

The PCA Reports estimate that a minimal amount of capital improvement work totalling approximately $431,000 is required to be carried out immediately on the Initial Properties. The PCA Reports identified ongoing repairs, maintenance and the replacement of capital items in respect of the Initial Properties in the amount of approximately $17.5 million over the next 10 years. In Huntingdon’s experience, capital expenditure estimates in PCA Reports prepared at the time of acquisition typically exceed spending that will actually be required subsequent to the completion of that transaction. In managing the Initial Properties, Huntingdon will continue its proactive on-going preventative maintenance program for the Initial Properties and estimates that $13.8 million will be required to be spent over the next 10 years in respect of ongoing repairs, maintenance and the replacement of capital items in order to maintain the Initial Properties in good condition. Management believes the REIT is entitled to and intends to recover approximately 72% of these costs as tenant recoveries over time. Of the $13.8 million, approximately $3.0 million will be satisfied by the Capital Expenditure Subsidy. On an ongoing basis, Management estimates maintenance capital expenditures of $675,000 per year will be required in respect of the Initial Properties. See “Retained Interest – Capital Expenditure Subsidy”.

The REIT, as part of its annual asset review program, will monitor and prudently manage the appropriate level of repairs and maintenance and capital expenditures to ensure that the REIT’s portfolio remains well maintained, competitive and in good condition. The REIT will also expend capital on upgrades where appropriate, especially if management believes such spending will accelerate lease-up of vacant space and assist in the retention of expiring tenants.

DEBT STRATEGY

General

The REIT’s overall borrowing policy is to obtain secured mortgage financing on a primarily fixed rate basis, with a term to maturity that is appropriate having regard to the lease maturity profile for each property and which allows the REIT to (i) achieve and maintain staggered debt maturities to lessen exposure to interest rate fluctuations and re-financing risk in any particular period and (ii) fix the rates and extend loan terms as long as possible when borrowing conditions are favourable. Subject to market conditions and the growth of the REIT, management of the REIT currently intends to maintain indebtedness of approximately 50% - 55% of GBV. The REIT intends to satisfy principal repayments and other capital expenditures in future years through a combination of re-financing of the REIT’s Existing Mortgages, the REIT’s working capital and through the REIT’s Revolving Credit Facility.

The REIT may not incur or assume any indebtedness if, after giving effect to the incurring or assumption of such indebtedness, the total indebtedness of the REIT would be more than 65% of the GBV of its assets (including convertible debentures). On Closing, the REIT expects to have total debt of approximately $109.1 million. Total debt includes approximately $93.7 million of fixed interest rate, long-term secured mortgage financing with a weighted average interest rate and remaining term to maturity of approximately 5.3% and 4.6 years, respectively (the "Existing Mortgages"). The Existing Mortgages (which represent approximately 47% of the REIT's GBV based on appraised value) on the Initial Properties will be recorded on the statement of financial position of the REIT at the carrying value of $93.7 million, which approximates fair market value due to the Interest Rate Subsidy described below. Also included in total debt is the VTB Note. In addition, the REIT is expected to draw down approximately $6.2 million on the Revolving Credit Facility, with the majority of such amount expected to be refinanced with fixed rate mortgages within 60 days of Closing of the Offering.

Management expects that the ratio of indebtedness to GBV will increase, at least temporarily, following an acquisition by the REIT of one or more additional properties. Interest rates and debt maturities will be reviewed regularly by the Trustees to ensure the appropriate debt management strategies are implemented. The REIT intends to finance its ongoing operations with a combination of, primarily, fixed rate secured debt with staggered maturities and floating rate secured short-term, construction and/or revolving debt. The fixed rate debt is expected to be comprised primarily of first charge mortgages. The REIT intends to satisfy principal repayments and other capital expenditures in future years through a combination of re-financing of the REIT's Existing Mortgages, the REIT's working capital and through the REIT's Revolving Credit Facility.

The purchase price otherwise payable by the REIT for the Initial Properties has been reduced by $1.9 million and, on Closing, the REIT will retain such amount to subsidize its interest payments for a period of five years following Closing, with such subsidy intended to achieve a blended cash interest rate of 4.5% on the outstanding mortgages of the Initial Properties. See "Retained Interest – Interest Rate Subsidy".

See "Pro Forma Capitalization of the REIT", "Investment Guidelines and Operating Policies", "Debt Strategy – Revolving Credit Facility" and "Management of the REIT – Governance".

Revolving Credit Facility

A Canadian chartered bank has committed to provide, at Closing, the REIT with an $8.0 million revolving credit facility (the "Revolving Credit Facility"). The Revolving Credit Facility will bear interest at a rate equal to the bank's prime rate plus 150 basis points per annum or Bankers' Acceptances plus 275 basis points. A standby fee of 60 basis points will be charged quarterly in arrears based on the daily undrawn amount of the Revolving Credit Facility. The Revolving Credit Facility will expire on November 30, 2014. The Revolving Credit Facility will be used by the REIT for general corporate purposes, including acquisitions.

The Revolving Credit Facility will initially be secured by two of the Initial Properties (the "Borrowing Base"). The REIT will be entitled to borrow the sum of the lesser of (a) 65% (60% for second mortgages) of the lesser of the purchase price and the most recent appraised value of each property and (b) the refinancing amount, less the outstanding principal amount of any prior charge less the mark-to-market adjustment of such prior mortgages, if any (the "Lending Value"). A minimum of two properties in the Borrowing Base must be pledged at all times and second mortgages on such properties shall not represent more than 50% of the overall Lending Value. Any property forming part of the Borrowing Base with less than 75% occupancy for two consecutive fiscal quarters shall be excluded from the Lending Value.

The ability of the REIT to borrow under the Revolving Credit Facility remains subject to the limitations on the ability of the REIT to incur indebtedness contained in the Declaration of Trust. The Revolving Credit Facility will provide the REIT with flexibility to add or remove properties from the Borrowing Base, subject to compliance with certain conditions.

The Initial Properties within the Borrowing Base on Closing will be Saskatchewan Place and Airport Road Shopping Centre.

The Revolving Credit Facility will include conditions precedent, financial and non-financial covenants and events of default customary for a credit facility of this nature. In addition, the Revolving Credit Facility will include certain restrictions for properties to qualify for inclusion in the Borrowing Base under such facility.

Debt Maturities

On Closing, the REIT expects to have in place mortgages with a principal amount of approximately $93.7 million, consisting of fixed interest rate, long-term secured mortgage financing, with a weighted average interest rate and remaining term to maturity of 5.3% and 4.6 years, respectively. Also included in total debt is the VTB Note. In addition, the REIT is expected to draw down approximately $6.2 million on the Revolving Credit Facility, with the majority of such amount expected to be refinanced with fixed rate mortgages within 60 days of Closing of the Offering.

The following table sets out the principal instalments, debt maturity and weighted average interest rate of maturing debt of the REIT that are expected to be in place on Closing and paid over the periods indicated (dollar amounts in thousands).

Year Ending December 31	Payments of Principal	Debt Maturing During Year	Total Principal Payments	Percentage of Total Debt	Weighted Average Interest Rate of Maturing Debt
2013	$2,854	$14,676	$17,530	16.1%	5.2%
2014	$2,597	$6,244	$8,841	8.1%	4.5%
2015	$2,470	$28,817	$31,287	28.7%	4.9%
2016	$1,422	$22,163	$23,585	21.6%	5.5%
2017	$1,083	$2,973	$4,055	3.7%	5.8%
2018	$991	$966	$1,957	1.8%	5.7%
2019	$1,028	-	$1,028	0.9%	-
2020+	$2,277	$18,541	$20,818	19.1%	4.4%
Total	$14,722	$94,380	$109,102	100%	

THE ACQUISITION

On Closing, the REIT will acquire Huntingdon's interest in the Initial Properties through a series of steps which are summarized below.

Principal Steps for the Acquisition

1. Huntingdon will directly or indirectly contribute its interests in the Initial Properties to FAM LP, to be held by the general partners of FAM LP on behalf of FAM LP. The consideration will be satisfied by the direct and indirect assumption by the general partners of FAM LP, on behalf of FAM LP, of the Assumed Mortgages in the aggregate amount of approximately $93.7 million and the issuance to Huntingdon of 2,768,611 Class A LP Units (with a value of approximately $27.7 million), 2,513,700 Class B LP Units (with a value of approximately $25.1 million), a non-interest bearing promissory note in favour of Huntingdon in the principal amount of $31.1 million (the "FAM LP Note"), and the VTB Note in the principal amount of approximately $9.2 million.

2. The REIT will issue 5,880,000 Offered Units pursuant to the Offering for net proceeds of approximately $53.4 million.

3. The REIT will use $48.5 million of the amounts referred to in item 2 above, together with approximately $6.2 million to be drawn under the Revolving Credit Facility, to acquire from Huntingdon the Class A LP Units held by Huntingdon and the FAM LP Note referred to in item 1 above pursuant to the Acquisition Agreement. The above amount reflects that the purchase price otherwise payable by the REIT for the Initial Properties has been reduced by $4.9 million in respect of the Interest Rate Subsidy and the Capital

Expenditure Subsidy. The REIT will issue Special Voting Units to Huntingdon. The REIT will also provide an unsecured guarantee of the VTB Note.

4. The partnership agreement governing FAM LP will be amended such that the Class B LP Units will have economic entitlements that are equivalent to Trust Units. The REIT and FAM LP will execute the Exchange Agreement.

5. The REIT will contribute the FAM LP Note to FAM LP in consideration for the issuance of 3,111,389 additional Class A LP Units with a value of $10.00 per unit.

For an illustration of the corporate structure of the REIT upon completion of the above transactions, see “Organizational Structure”.

Acquisition Agreement

The following is a summary of the material terms of the Acquisition Agreement, which is qualified in its entirety by reference to all of the provisions of such agreement. The Acquisition Agreement will be available following Closing on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com.

The REIT will acquire an indirect interest in the Initial Properties from Huntingdon through the acquisition of Class A LP Units of FAM LP (and shares of its general partners – See “FAM LP”) and the FAM LP Note, pursuant to the Acquisition Agreement, for an aggregate purchase price of approximately $48.5 million, before any applicable adjustments (which amount is net of (i) the Assumed Mortgages in the aggregate amount of approximately $93.7 million, (ii) the Class B LP Units held by Huntingdon with a value of approximately $25.1 million, and (iii) $4.9 million in respect of the Interest Rate Subsidy and the Capital Expenditure Subsidy). The acquisition of the Initial Properties will reflect customary purchase price adjustment provisions, including for pre-paid expenses, pre-paid rent and working capital.

The Acquisition Agreement will contain representations and warranties typical of those contained in acquisition agreements for similar portfolios of real property negotiated between sophisticated purchasers and vendors acting at arm’s length. Certain of the representations and warranties will be qualified as to knowledge (after reasonable inquiry), materiality and disclosure, subject to reasonable exceptions. The representations and warranties will relate to Huntingdon and the Initial Properties and will be from Huntingdon in favour of the REIT (including, among other things, representations and warranties in respect of Huntingdon, as to existence, power and capacity; due authorization; no material approvals; no contravention; execution, delivery and enforceability of the Acquisition Agreement; and not a non-resident, and in respect of FAM LP, its general partners and the properties, as to organization and status; power and authorization; authorized and issued capital; compliance with laws; litigation; regulatory matters; absence of undisclosed liabilities; financial statements; no material adverse change; tax matters; outstanding liens; outstanding indebtedness and guarantees; material agreements; insurance; leases in good standing; mortgages not in default; rent rolls are accurate; no notices from regulatory authority; nominee corporations have not carried on business; intellectual property; environmental; title to the Initial Properties; condition of tangible assets; employment / labour matters / benefits plans; no obligation to issue securities; no expropriation; permits in good standing; land use; work orders; access; ground leases; and rights of first offer/refusal. Huntingdon will also provide representations and warranties that this prospectus contains full, true and plain disclosure of all material facts relating to the Initial Properties and other assets being acquired, subject to an exception for portions of this prospectus purporting to be made on authority of an expert or purporting to be an extract from a report, opinion or statement of an expert. Such representations and warranties will survive for a period of 18 months from Closing; provided, however, that representations regarding organization and status, and power and authorization shall survive until expiry of the applicable limitation period, representations regarding tax matters shall survive for a period of 120 days after the expiry of the applicable limitation period and the prospectus representation and representations regarding certain environmental matters shall survive for a period of three years from Closing. Any claim for any breach of any of the representations and warranties contained in the Acquisition Agreement involving fraud or fraudulent misrepresentation may be made at any time subject only to the applicable limitation period imposed by applicable laws.

Pursuant to the Acquisition Agreement, Huntingdon will undertake, at its cost, all recommended actions set out by the independent environmental consultant in its environmental reports, including subsequent reports contemplated therein, or in any screening level risk assessments or quantitative risk assessments prepared in respect of the Initial Properties and will obtain all necessary environmental permits (collectively, the "Recommended Environmental Work"). At a minimum, the Recommended Environmental Work will include: the removal of all free-phase products at two of the Initial Properties either prior to Closing or within a specified time period thereafter, immediate testing of indoor air quality ("IAQ") at three of the Initial Properties and successful implementation of the recommended measures, as applicable, based on the results of the IAQ, ongoing regular IAQ and groundwater monitoring, the inclusion of a barrier at one property boundary to prevent potential off-site migration and the conduct of certain other regular monitoring programs going forward. Notwithstanding the foregoing, Huntingdon will only be responsible for the cost of any monitoring activities for a period of three (3) years following Closing.

Prior to Closing, Huntingdon will provide a report by the independent environmental consultant outlining the detailed approach for each of the Initial Properties where environmental work and/or monitoring are required, including specific timelines for completion at each property. This report will be in a form reasonably satisfactory to the REIT and will include the final results with respect to any additional samplings and remediation work completed and all outstanding items in the independent environmental consultant's environmental reports.

To the extent the REIT recovers any costs of the Recommended Environmental Work from tenants of the Initial Properties, these amounts will be paid to Huntingdon. The Recommended Environmental Work will be completed by Huntingdon either prior to Closing or within a specified time period thereafter, based on the recommendation of the independent environmental consultant as to an appropriate period of time.

Huntingdon will indemnify the REIT for any breach of representations and warranties or covenants under the Acquisition Agreement. Huntingdon will also indemnify the REIT for any claims, damages or losses suffered by the REIT as a result of any of the environmental matters identified in the environmental reports or Recommended Environmental Work for a period of three years following Closing. The maximum liability of Huntingdon in respect of any claims for indemnification shall be limited to $25 million, but may be increased to $35 million in respect of environmental claims. No claim under the representations and warranties and indemnities, with the exception of a claim under the environmental indemnity, may be made until the aggregate losses exceed minimum threshold amounts (which will total $750,000).

There can be no assurance of recovery by the REIT from Huntingdon for any breach of the representations and warranties provided by it under the Acquisition Agreement, as there can be no assurance that the assets will be sufficient to satisfy such obligations. Only the REIT will be entitled to bring a claim or action for misrepresentation or breach of contract under the Acquisition Agreement and purchasers of Trust Units under this prospectus will not have any contractual rights under the Acquisition Agreement. Purchasers will, however, have certain statutory rights of action against the REIT and Huntingdon, as promoter, under applicable securities laws. See "Retained Interest" and "Purchasers' Statutory Rights".

The closing of the Acquisition will be conditional upon, among other things, the completion of the Offering and the receipt of material consents and waivers from third parties, including lenders under the Assumed Mortgages.

A purchaser of Trust Units should refer to the terms of the Acquisition Agreement for a complete description of the representations, warranties and indemnities being provided in favour of the REIT and related limitations under the Acquisition Agreement.

RETAINED INTEREST

Following Closing, Huntingdon will hold 2,513,700 Class B LP Units (being all of the Class B LP Units outstanding on Closing) representing an approximate 30% economic interest in the REIT (approximately 27% if the Over-Allotment Option is exercised in full). Huntingdon will not purchase any Offered Units pursuant the Offering. Each Class B LP Unit will be exchangeable at the option of the holder for one Trust Unit of the REIT (subject to customary anti-dilution adjustments), will be accompanied by one Special Voting Unit of the REIT (which provides for the same voting rights in the REIT as a Trust Unit) and will be entitled to distributions of cash from FAM LP equal to the cash distributions paid to holders of Trust Units by the REIT. Pursuant to the FAM LP Agreement, Class B LP Units are not permitted to be transferred and Huntingdon as holder of the Class B LP Units will agree not to take any action that would result in the Class B LP Units being held by a Non-Resident. See "FAM LP — Partnership Units". Pursuant to the Declaration of Trust, Huntingdon will have the right to nominate one Trustee for election to the Board (depending on the size of the Board and the level of Huntingdon's direct or indirect ownership interest in the REIT). See "Declaration of Trust" and "Trustees and Management of the REIT — Governance and

Board of Trustees". Pursuant to the Acquisition Agreement, Huntingdon has agreed to retain 2,513,700 Class B LP Units for a minimum of six months following Closing and thereafter to retain 1,678,740 Class B LP Units (which represent an approximate 20% ownership interest in the REIT calculated as of Closing) for a minimum of 24 months following Closing, subject to dilution and customary exceptions including transfers of Trust Units in connection with the exercise or exchange of Deferred Units issued to the Chief Executive Officer of the REIT. Beginning on the date that is 180 days after Closing, Class B LP Units held by Huntingdon may be pledged as security for indebtedness of up to 75% of the then market value of the Trust Units into which such Class B LP Units are exercisable, provided that any pledgee, other than a Canadian chartered bank, agrees to abide by the terms of the agreement governing the maintenance of the retained interest.

Exchange Agreement

As of Closing, the REIT, FAM LP and Huntingdon will enter into the Exchange Agreement. The Exchange Agreement will govern the mechanics by which Huntingdon may require the REIT to exchange each Class B LP Unit for one Trust Unit (the "Exchange Right"), subject to customary anti-dilution adjustments and the adjustments described under "Declaration of Trust".

The exchange procedure may be initiated at any time by the holder of a Class B LP Unit so long as all of the following conditions have been met:

(a) the exchange would not cause the REIT to breach the restrictions respecting Non-Resident ownership contained in the REIT's Declaration of Trust as described under "Declaration of Trust" or otherwise cause it to cease to be a "mutual fund trust" for purposes of the Tax Act or create a substantial risk of such cessation;

(b) the REIT is legally entitled to issue the Trust Units in connection with the exercise of the exchange rights; and

(c) the person receiving the Trust Units upon the exercise of the exchange rights complies with all applicable securities laws.

The Exchange Agreement will provide that, so long as Huntingdon, directly or indirectly, holds at least a 10% ownership interest in the REIT, calculated on a fully-diluted basis, Huntingdon will have, subject to certain exceptions, pre-emptive rights to purchase Class B LP Units and/or Trust Units to maintain its *pro rata* ownership interest in the REIT in the event that the REIT or any of its subsidiaries decides to issue equity securities, or securities convertible into or exchangeable for equity securities, to third parties. Upon exercise of this right, Huntingdon will be entitled to participate in the issue of such securities at the most favourable price and on the most favourable terms as such securities are offered to any third party.

Pursuant to the terms of the Exchange Agreement, so long as Huntingdon, directly or indirectly, holds at least a 20% ownership interest in the REIT (calculated on a fully-diluted basis) Huntingdon will be granted demand and "piggy-back" registration rights by the REIT that will enable it to require the REIT to file a prospectus and otherwise assist with a public offering of Trust Units, subject to certain limitations. The expenses in respect of the exercise by Huntingdon of its "piggy back" rights, subject to certain exceptions, will be borne by the REIT, except that any underwriting fee on the sale of Trust Units by Huntingdon and the fees of Huntingdon's external legal counsel will be borne by Huntingdon. The expenses in respect of an exercise by Huntingdon of its demand rights, subject to certain exceptions, will be borne by the REIT and Huntingdon on a proportionate basis according to the number of Trust Units distributed by each.

Pursuant to the FAM LP Agreement, Class B LP Units are not permitted to be transferred and Huntingdon as holder of the Class B LP Units will agree not to take any action that would result in the Class B LP Units being held by a Non-Resident. See "FAM LP — Partnership Units".

Right of First Offer

Following Closing, Huntingdon will retain a portfolio of fee-simple and ground-leased properties, which are located in core markets where the REIT would like to expand its presence. The fee simple properties include seven industrial, six office and five retail properties with an aggregate GLA of approximately 1.8 million square feet. Of these properties, one property is located in Alberta with a GLA of 21,346 square feet, 15 properties are located in Manitoba with an aggregate GLA of 1,368,238 square feet, one property is located in Ontario with a GLA of 282,203 square feet, and one property is located in the Northwest Territories with a GLA of 81,562.

As of Closing, the REIT will enter into an agreement with Huntingdon (the "ROFO Agreement"), pursuant to which the REIT will be granted a right of first offer to acquire the industrial, office and retail properties owned or subsequently acquired by Huntingdon and/or its affiliates, prior to disposition of any such properties to a third party which will be on terms not materially less favourable to the REIT than those offered by or to such third party. The REIT expects to be offered assets from Huntingdon as these properties become stabilized and more suitable for the REIT's investment criteria. Huntingdon expects that these assets will stabilize over the next three years. The REIT is not currently negotiating the purchase of any additional properties from Huntingdon and is not currently in negotiations to purchase any properties that it considers to be a "probable acquisition" for purposes of applicable securities laws. See also "Management Agreement – Management Restrictions".

The ROFO Agreement will provide that if at any time and from time to time following Closing, Huntingdon determines that it desires to sell, or receives and desires to accept an offer to acquire (directly or indirectly by way of the sale or acquisition of securities), one or more of the industrial, office or retail properties owned or subsequently acquired by Huntingdon and/or its affiliates (a "Proposed Disposition"), Huntingdon will, by notice in writing, advise the REIT of such opportunity. Such a notice must outline all of the material terms and conditions of the Proposed Disposition and be accompanied by all material information relating to the Proposed Disposition as is in the control or possession of Huntingdon. The REIT will have up to 10 business days to notify Huntingdon, in the form of an executed non-binding letter of intent and accompanying refundable deposit, if it intends to acquire the Proposed Disposition. If the REIT reasonably believes that the information contained in the investment proposal is insufficient for it to make an investment decision, and notifies Huntingdon of same, Huntingdon must make reasonable commercial efforts to provide the REIT with such further information as is requested by the REIT and the REIT will have up to 10 business days from receipt of such additional information to notify Huntingdon, in the form of an executed non-binding letter of intent and accompanying refundable deposit, if it intends to acquire the Proposed Disposition. If the REIT is unwilling to acquire the Proposed Disposition at the proposed price, the REIT may counter, in the form of an executed non-binding letter of intent, with a minimum reservation price, below which price Huntingdon would be unable to sell the Proposed Disposition to a third party for a period of 180 days, following which period any sale of the property would be considered a new Proposed Disposition. If the REIT notifies Huntingdon that it does not wish to acquire the Proposed Disposition, or the applicable period for the REIT providing notice to Huntingdon lapses, Huntingdon will be entitled to complete the sale of the Proposed Disposition within the following 180 days to any third party on terms not materially more favourable to the third party than those offered to the REIT. The right of first offer may be subject to the rights of lenders under certain loan documents securing properties in which Huntingdon has an interest.

Interest Rate Subsidy

The purchase price otherwise payable by the REIT for the Initial Properties has been reduced by $1.9 million and, on Closing, the REIT will retain such amount to subsidize its interest payments for a period of five years following Closing, with such subsidy intended to achieve a blended cash interest rate of 4.5% on the outstanding mortgages of the Initial Properties (the "Interest Rate Subsidy").

Capital Expenditure Subsidy

The purchase price otherwise payable by the REIT for the Initial Properties has been reduced by $3.0 million and, on Closing, the REIT will retain such amount to subsidize near term capital expenditures on the Initial Properties (the "Capital Expenditure Subsidy") which are incremental to the normalized maintenance capital expenditure level of $675,000 for the Initial Properties.

PRO FORMA CAPITALIZATION OF THE REIT

The following table sets forth the pro forma consolidated capitalization of the REIT as at September 30, 2012 after giving effect to the Offering (net of costs relating to the Offering) and use of proceeds therefrom, but without giving effect to the exercise of the Over-Allotment Option. The table should be read in conjunction with the pro forma combined financial statements and notes of the REIT thereto contained in this prospectus. See "Index to the Financial Statements".

	As at August 27, 2012[1]	As at September 30, 2012 (in thousands)[2]
Indebtedness		
Existing Mortgages (Face Amount)	$0	$94,296
Revolving Credit Facility	$0	$6,197
VTB Note	$0	$9,180
Class B LP Units	$0	$25,137
Unitholders' Equity		
Offered Units	$10	$53,354
Total Capitalization	$10	$188,164

Notes:

(1) The REIT was initially settled on August 27, 2012 with $10 in cash.

(2) Pro forma capitalization, as at September 30, 2012, is based on 5,880,000 Trust Units, 2,513,700 Class B LP Units and 1,470,000 Warrants outstanding after giving effect to the Offering. Sufficient Trust Units will be reserved for issuance to satisfy the REIT's obligations to issue Trust Units in connection with the exchange rights granted to the holders of Class B LP Units pursuant to, and as contemplated by, the Exchange Agreement and pursuant to an exercise of Warrants. Upon the exchange of Class B LP Units for Trust Units, a corresponding number of Special Voting Units will be cancelled. See "Retained Interest — Exchange Agreement".

FINANCIAL FORECAST

The following financial forecast was prepared by management of the REIT, using assumptions with an effective date of December 13, 2012, and was approved by the Trustees of the REIT. Pursuant to applicable securities policies, the REIT is required to update the forecast during the forecast period by identifying any material changes from the forecast resulting from events that have occurred since it was issued and by comparing such forecast with annual audited actual results and interim unaudited actual results for the periods covered. The results of this comparison will be included in Management's Discussion and Analysis of Financial Condition and Results of Operations that will accompany the annual or interim financial statements of the REIT for the relevant periods.

The financial forecast has been prepared in accordance with Parts 4A and 4B of National Instrument 51-102 - *Continuous Disclosure Obligations* and has been prepared in accordance with the accounting policies that the REIT expects to use to prepare its historical financial statements for the period covered by the forecast. Those financial statements will be prepared in accordance with International Financial Reporting Standards (IFRS). The forecast has been prepared using assumptions that reflect management's intended courses of action for the REIT for the periods covered, given management's judgment as to the most probable set of economic conditions. The forecast has been prepared after giving effect to the Offering and the other transactions contemplated in this prospectus to be completed before or concurrently with Closing. The forecast assumes the Closing occurred on December 28, 2012.

The assumptions used in the preparation of a forecast, although considered reasonable by management at the time of preparation, may not materialize as forecast and unanticipated events and circumstances may occur subsequent to the date of the forecast. Accordingly, there is a significant risk that actual results achieved for the forecast period will vary from the forecast results and that such variations may be material. There is no representation by the REIT that actual results achieved during the forecast period will be the same in whole or in part as those forecast. Important factors that could cause actual results to vary materially from the forecast include those disclosed under "Risk Factors". See "Forward-Looking Statements".

The financial forecast should be read in conjunction with the unaudited pro forma consolidated financial statements of the REIT, the audited financial statements of the REIT and the audited financial statements of Huntingdon Capital Corp. Stabilized Properties contained in this prospectus. See "Index to Financial Statements".

Independent Auditors' Report on Financial Forecast

To the Board of Trustees of FAM Real Estate Investment Trust

The accompanying consolidated financial forecast of FAM Real Estate Investment Trust consisting of the consolidated statements of forecasted net income and comprehensive income for each of the three month periods ending March 31, 2013, June 30, 2013, September 30, 2013, December 31, 2013 and the twelve month period ending December 31, 2013 has been prepared by management using assumptions with an effective date of December 13, 2012. We have examined the support provided by management for the assumptions, and the preparation and presentation of this consolidated financial forecast. Our examination was made in accordance with the applicable Auditing Guideline issued by The Canadian Institute of Chartered Accountants. We have no responsibility to update this report for events and circumstances occurring after the date of our report.

In our opinion:

- as at the date of this report, the assumptions developed by management are suitably supported and consistent with the plans of FAM Real Estate Investment Trust, and provide a reasonable basis for the consolidated financial forecast;

- this consolidated financial forecast reflects such assumptions; and

- the consolidated financial forecast complies with the presentation and disclosure standards for future oriented financial information established in Part 4A and 4B of National Instrument 51-102 - *Continuous Disclosure Obligations*.

Since this consolidated financial forecast is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material. Accordingly, we express no opinion as to whether this financial forecast will be achieved.

(signed) KPMG LLP
Chartered Accountants

Winnipeg, Canada
December 17, 2012

Consolidated Statements of Forecasted Net Income and Comprehensive Income

(in thousands of Canadian dollars)	Three month periods ending March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013	Twelve month period ending December 31, 2013
Revenue from investment properties	$6,075	$5,887	$5,770	$5,793	$23,525
Property operating expenses	(2,311)	(2,305)	(2,302)	(2,302)	(9,220)
Property operating income	**$3,764**	**$3,582**	**$3,468**	**$3,491**	**$14,305**
General and administration	(363)	(363)	(363)	(363)	(1,452)
Finance costs	(1,679)	(1,671)	(1,685)	(1,691)	(6,726)
Fair value adjustments to investment properties	–	–	–	–	–
Net income and comprehensive income	**$1,722**	**$1,548**	**$1,420**	**$1,437**	**$6,127**

See accompanying notes to consolidated statements of forecasted net income and comprehensive income.

Notes to Consolidated Financial Forecast

Three month periods ending March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013 and the twelve month period ending December 31, 2013. All amounts in this section are in thousands of Canadian dollars, except unit and per unit amounts.

1. Purpose of the financial forecast:

This consolidated financial forecast has been prepared by the management of Huntingdon Capital Corp. ("Huntingdon") on behalf of FAM Real Estate Investment Trust (the "REIT") for use by prospective investors in their evaluation of potential investments in the REIT and may not be appropriate for any other purpose.

2. Basis of presentation of the financial forecast:

The REIT is a recently created unincorporated open-ended real estate investment trust established pursuant to the Declaration of Trust and established under the laws of the Province of Ontario. The REIT has been formed to indirectly acquire from Huntingdon its interest in a portfolio of 27 office, retail, and industrial properties (the "Initial Properties") from Huntingdon. The head office of the REIT is located at 2000 – 5000 Miller Road, Richmond, British Columbia, Canada.

The consolidated financial forecast consists of the consolidated statements of forecasted net income and comprehensive income of the REIT for the three month periods ending March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013 and the twelve month period ending December 31, 2013. The consolidated financial forecast has been prepared using assumptions with an effective date of December 13, 2012 and reflects the assumptions described in note 4.

The consolidated financial forecast has been prepared using assumptions that reflect the REIT's intended course of action for the periods presented, given management's judgment as to the most probable set of economic conditions. The consolidated financial forecast will be compared with the reported results for the financial forecast periods and any significant differences will be disclosed in the REIT's annual or interim Management's Discussion and Analysis for such periods. The actual results achieved during the consolidated financial forecast periods will vary from the forecasted results, and these variations may be material. Amounts are in thousands of Canadian dollars unless otherwise stated.

3. Summary of significant accounting policies:

The consolidated financial forecast has been prepared in accordance with Parts 4A and 4B of National Instrument 51-102 - Continuous Disclosure Obligations and has been prepared in accordance with the accounting policies that the REIT expects to use to prepare its historical financial statements for the period covered by the forecast. Those financial statements will be prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial forecast reflects the following accounting policies:

(a) Basis of consolidation:

The consolidated financial statements comprise the financial statements of the REIT and its subsidiary. The financial statements of the subsidiary are prepared for the same reporting periods as the REIT, using consistent accounting policies. The subsidiary is 100% owned and fully controlled by the REIT. All intercompany balances, transactions and unrealized gains and losses arising from intercompany transactions, are eliminated on consolidation.

(b) Investment properties:

The REIT follows the fair value method to account for real estate classified as investment property. A property is determined to be an investment property when it is principally held to earn rental income or for capital appreciation, or both. Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value. Gains or losses arising from changes in fair value are recognized in profit and loss during the period in which they arise. Fair value is based upon external or internal valuations that use the direct capitalization and/or the discounted cash flow valuation technique. The direct capitalization method applies a capitalization rate to the property's stabilized net operating income. Using the discounted cash flow method, fair value is determined by discounting the expected future cash flows from the property, generally over a term of 10 years, including a terminal value based on the application of a terminal capitalization rate. Subsequent capital expenditures are charged to investment property only when it is probable that the future economic benefits of the expenditure will flow to the REIT and the cost can be measured reliably.

(c) *Joint arrangements:*

The REIT reports its interest in a property through a co-ownership arrangement using proportionate consolidation. Accordingly the REIT recognizes its proportionate share of the assets, liabilities, revenue and expenses of the co-owned property.

(d) *Revenue recognition:*

Revenue from investment properties includes rents from tenants under lease agreements, percentage rents, property tax and operating cost recoveries and other incidental income, and is recognized as revenue over the term of the underlying leases. Rental revenue from investment properties with contractual rent increases are recognized on a straight-line basis over the term of the respective leases. Tenant incentives that do not provide benefits beyond the initial lease term are amortized as a reduction of rental revenue on a straight-line basis over the term of the lease.

(e) *Class B LP Units:*

The Class B LP Units of the REIT's limited partnership subsidiary (the "Partnership") are exchangeable into Trust Units at the option of the holder. The Trust Units are puttable and, therefore, the Class B LP Units meet the definition of a financial liability under International Accounting Standards ("IAS") 32, *Financial Instruments — Presentation* ("IAS 32"). Further, the Class B LP Units are designated as fair value through profit or loss financial liabilities and are measured at fair value at each reporting period with any changes in fair value recorded in profit or loss. The distributions paid on the Class B LP Units are accounted for as finance costs.

(f) *Unit capital:*

The Trust Units are redeemable at the option of the holder and, therefore, are considered puttable instruments in accordance with IAS 32. Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met in accordance with IAS 32, in which case, the puttable instruments may be presented as equity. The Trust Units meet the conditions of IAS 32 and are, therefore, classified and accounted for as equity.

(g) *Income taxes:*

The REIT is a mutual fund trust and a real estate investment trust pursuant to the Income Tax Act (Canada). Under current tax legislation, a real estate investment trust is entitled to deduct distributions of taxable income such that it is not liable to pay income taxes provided that its taxable income is fully distributed to unitholders. The REIT intends to continue to qualify as a real estate investment trust and to make distributions not less than the amount necessary to ensure that the REIT will not be liable to pay income taxes. Accordingly, no current or deferred income taxes have been recorded in this consolidated financial forecast.

4. Significant assumptions:

The assumptions used in the preparation of the forecast, although considered reasonable by management, require significant judgments to be made about future events, which may not materialize as forecast. It is not possible to forecast unanticipated events and circumstances.

(a) Initial public offering:

The consolidated financial forecast assumes that on December 28, 2012, the REIT will raise gross proceeds of approximately $58,800 pursuant to an initial public offering (the "Offering") through the issuance of 5,880,000 units ("Offered Units") at $10 per unit (excluding any over-allotment option). Each Offered Unit consists of one Trust Unit and one quarter of one Trust Unit purchase warrant of the REIT. Each whole Warrant entitles the holder to acquire one Trust Unit at an exercise price of $10.50 per Warrant for a period of 36 months following closing of the Offering. Costs relating to the Offering are expected to be $5,446 and will be applied against the gross proceeds of the Offering. For purposes of the consolidated financial forecast, it is assumed that the closing (the "Closing") of the transactions contemplated by this prospectus will occur on or about December 28, 2012, however the actual closing date may differ. On Closing, the REIT will indirectly acquire the Initial Properties for a total consideration of $186,842 plus approximately $750 of working capital. The purchase price is negotiated between the REIT and Huntingdon and is supported by a third party appraisal.

(b) Issuance of Class B LP Units to Huntingdon:

The Partnership is assumed to complete the issuance of Class B LP Units to Huntingdon for $25,137 through the issuance of 2,513,700 Class B LP Units at a price of $10 per unit.

(c) Acquisition of the Initial Properties:

It is assumed that upon Closing, the Initial Properties will be directly acquired by the Partnership, a subsidiary of the REIT. The acquisition does not meet the definition of a business combination and as a result, has been accounted for as an asset acquisition. Upon Closing, the REIT will recognize identifiable assets acquired and liabilities assumed measured at their fair value at the acquisition date.

The actual net assets acquired by the REIT will be based on the assets acquired and liabilities assumed at the effective date of the acquisition. Accordingly, the actual amounts for each of these assets and liabilities will vary from the amounts above and the variation may be material.

The acquisition contemplates that the purchase price will consist of consideration as follows:

Cash	$52,604
Operating credit facility	6,244
Assumption of debt	93,677
Vendor take-back note	9,180
Class B LP Units	25,137
Total cost of the acquisition	$186,842

(d) Operating facility:

Upon Closing, the REIT will enter into an $8,000 operating credit facility at an interest rate of the bank's prime rate plus 1.50% and will draw $6,244 from the facility on Closing of which approximately $5,000 will be repaid by mortgages to be refinanced and upward financed in early fiscal 2013.

(e) *Capital and leasing expenditures:*

Capital and leasing expenditures consist of expenditures for the ongoing repairs, maintenance and the replacement of capital items in respect of the investment properties and tenant improvements. These are forecasted to be approximately $1,382 ($345, $345, $346 and $346 for the three month periods ending March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013, respectively) for the twelve month period ending December 31, 2013. These costs are estimated on a normalized basis and may vary with actual results depending on leasing activity and capital requirements. Capital expenditures in excess of $675 for the twelve month period ending December 31, 2013 will be subsidized as a result of the REIT retaining approximately $3.0 million of the purchase price for the Initial Properties which will be available to the REIT to fund near term capital expenditures on the Initial Properties. The subsidy is forecasted to be $552 ($138 for each of the three month periods ending March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013) for the twelve month period ending December 31, 2013. The expenditures payable by the REIT will be financed through non-distributed cash generated from operations and working capital.

Pursuant to a management agreement with Huntingdon (the "Management Agreement"), leasing commissions will be paid to Huntingdon of 5.0% of the base rent for all new leases and 2.0% for all renewals of existing leases and expansion of leased premises. The commissions will be capitalized to investment properties. Forecasted leasing commissions are $292 (nil, $1, $196 and $95 for the three month periods ending March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013, respectively) for the twelve month period ending December 31, 2013. These costs are estimated on a normalized basis and may vary with actual results depending on leasing activity.

Under the Management Agreement, Huntingdon is also entitled to a construction management fee of 5.0% of capital expenditures, including tenant improvements. These costs will be capitalized to investment properties. Forecasted construction management fees are $68 ($17 for each of the three month periods ending March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013) for the twelve month period ending December 31, 2013. These fees have been determined based on the normalized capital and leasing expenditures.

(f) *Revenue from investment properties:*

Forecasted revenue from investment properties is based on rents from existing leases as well as potential revenue from leasing space that is vacant and re-leasing of space that becomes vacant during the forecast period at renewal rates based on market rents.

Rental revenue includes all rental income receivable from the Initial Properties, including base rents earned from tenants under lease agreements, realty tax and operating cost recoveries, lease termination fees, parking revenue, management fees and other incidental income. In preparing this financial forecast, it is assumed that substantially all existing tenants fulfill their current contractual lease obligations and remain in occupancy and pay rent for the term of the forecast period, subject to estimated credit losses. Included in investment properties revenue for the twelve month period ending December 31, 2013 is a reduction of $35 for the amortization of tenant inducements (nil, nil, $8 and $27 for the three month periods ending March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013, respectively).

The assumed weighted average occupancy at the beginning of the forecast period is 96.5%. Leases covering approximately 15.2% of the total rentable space of the Initial Properties expire during the forecast period. As a result of renewals and new leasing, the assumed weighted average occupancy is 96.5%, 92.6%, 90.0%, and 93.6% as at March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013, respectively. In addition, a vacancy allowance of approximately 5.0% of all rental revenue was assumed during the forecast period.

Investment properties revenue includes a straight-line rent adjustment of $329 for the twelve month period ending December 31, 2013 ($86, $83, $81 and $79 for the three month periods ending March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013, respectively).

(g) *Property operating expenses:*

Operating costs of the investment properties have been forecasted with reference to the operating plans and budgets for the Initial Properties and are consistent with the re-leasing assumptions in note 4(f). This financial forecast reflects historical data adjusted for changes in costs due to inflation, estimated to be 2.0% during the forecast period, expected service and utility costs, anticipated changes in realty tax rates and property assessments, management's estimates, and other market trends. The major components of operating costs consist of realty taxes, utilities, cleaning, repairs and maintenance, insurance and property management fees.

Pursuant to the Management Agreement, property management fees are payable to Huntingdon based on 3% of gross revenues. Property operating expenses includes property management fees of $705 for the twelve month period ending December 31, 2013 ($182, $177, $173 and $173 for the three month periods ending March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013, respectively). Under the Management Agreement, administration expenses and fees that will be recovered from tenants will flow through the REIT to be provided back to Huntingdon. Included in revenue from investment properties is $544 for the twelve month period ending December 31, 2013 ($136 for each of the three month periods ending March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013) relating to administration expenses and fees recovered from tenants that will be provided back to Huntingdon and has been included as an expense in property operating expenses.

(h) *Interest expense:*

Prior to the acquisition of the Initial Properties by the REIT, several of the mortgages in the portfolio are forecasted to be refinanced and upward financed, resulting in an increase in the mortgages payable of $8,559. Interest expense includes forecasted interest on these mortgages refinanced and upward financed.

Interest expense is based on interest rates on specific property mortgages, adjusted to an effective interest rate of 4.5% under an interest rate subsidy that is to be funded by way of the REIT retaining $1.9 million of the purchase price for the Initial Properties. Mortgage interest expense has been reduced by $588 for the twelve month period ending December 31, 2013 ($158, $158, $141 and $131 for the three month periods ending March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013, respectively) in relation to the interest rate subsidy.

Interest expense includes $77 for the twelve month period ending December 31, 2013 ($19, $19, $19 and $20 for the three month periods ending March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013, respectively) of estimated interest on amounts drawn on the operating credit facility and related standby charges on the undrawn balance. Interest expense on the operating credit facility has been calculated using an effective annual interest rate of 4.50%.

Interest expense includes amortization of mortgage transaction costs amounting to $70 for the twelve month period ending December 31, 2013 ($17, $17, $18 and $18 for the three month periods ending March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013, respectively).

In connection with the acquisition of the Initial Properties by the REIT, the REIT will enter into a vendor take-back note with Huntingdon in the amount of $9,180. The vendor take-back note bears interest at 3.00% per annum with principal due in full two years from the closing of the acquisition. Interest expense includes $275 of interest on the vendor take-back note for the twelve month period ending December 31, 2013 ($69, $69, $69 and $68 for the three month periods ending March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013, respectively).

Interest expense also includes distributions estimated to be declared on the Class B LP Units of $1,884 for the twelve month period ending December 31, 2013 ($471, $471, $471 and $471 for the three month periods ending March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013, respectively). Expected distributions on the Class B LP Units were calculated as 95% of normalized adjusted funds from operations (“AFFO”). AFFO is defined as net income before fair value gains (losses) to investment properties, adjusted for amortization of tenant improvements and mortgage transaction costs, straight-line rent, lease acquisition costs and maintenance capital expenditures.

(i) *General and administration:*

General and administration expenses reflect management’s best estimate of trustee fees, audit and legal fees, regulatory costs and transfer agent fees. General and administration also includes asset management fees incurred under the Management Agreement of $595 for the twelve month period ending December 31, 2013 ($149, $149, $149 and $148 for the three month periods ending March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013, respectively).

(j) *Acquisition and disposition of investment properties:*

This financial forecast does not reflect any potential sales or acquisitions of investment properties other than the acquisition discussed in note 4(c). However, it is possible that the REIT will make purchases and sales of investment properties during the forecast period, which will only be undertaken on a basis considered by management to be advantageous to the REIT and as approved by the Trustees.

(k) *Income taxes:*

On Closing, it is assumed the REIT will qualify as a mutual fund trust and will not be taxable on income in accordance with the accounting policy described in 3(g). Accordingly, no current or deferred income tax expense has been recorded in this consolidated financial forecast in respect of the REIT.

(l) *Fair value adjustment to investment properties and Class B LP Units:*

The REIT has adopted the fair value model for accounting for investment properties requiring the fair value of the property to be determined at each reporting date. For financial reporting purposes, fair values are impacted by many variables, such as local and global economic conditions that are by their nature not susceptible to forecasting. Accordingly, this consolidated financial forecast does not reflect any change in the fair values of the investment properties.

Class B LP Units will be adjusted to their values at each reporting period with changes in fair value recorded in net income (note 3(e)). For purposes of this consolidated financial forecast, no change in fair values of the Class B LP Units has been assumed.

5. Commitments and contingencies:

In connection with the Offering, the REIT has agreed to indemnify the underwriters against certain liabilities, including liabilities under applicable securities legislation, or to contribute to payments the underwriters may be required to make in respect of those liabilities. The REIT has agreed to indemnify, in certain circumstances, the trustees and the officers of the REIT.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The following discusses the financial condition and results of operations and changes thereto of the historical information relating to the Initial Properties and should be read in conjunction with the Initial Properties' audited combined financial statements and the accompanying notes and the unaudited condensed combined interim financial statements and the accompanying notes, in each case, included elsewhere in this prospectus. All amounts are based upon Huntingdon's percentage ownership of the Initial Properties, unless otherwise noted, under this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") section of this prospectus.

The Initial Properties consist of 27 industrial, office and retail properties located in Canada that are owned directly or indirectly by Huntingdon and have been owned by Huntingdon directly or indirectly for all periods presented. Huntingdon is a real estate operating company incorporated under the laws of British Columbia whose principal activities include property ownership, development, and asset and property management services.

The Initial Properties, together with their related assets and liabilities, are to be indirectly acquired by the REIT upon completion of the Offering of Trust Units by the REIT.

The following discussion includes results for the three and nine months ended September 30, 2012 and 2011 and the years ended December 31, 2011 and 2010, determined in accordance with International Financial Reporting Standards ("IFRS"), and results for the years ended December 31, 2010 and 2009, determined in accordance with Canadian generally accepted accounting principles ("GAAP") prior to the REIT's adoption of IFRS.

The Initial Properties are not a legal entity and are comprised of investment properties. Each of the combined financial statements of the Initial Properties have been prepared for the purpose of this prospectus as a method of presenting historical property information relating thereto. The financial statements depict Huntingdon's historical investments in the net assets of the Initial Properties and include the assets, liabilities, revenue and operating expenses associated with owning and operating these properties. Due to the inherent limitations of carving out activities from larger entities, these combined financial statements may not necessarily reflect the results of operations, financial position, and cash flows of the Initial Properties for future periods, nor do they reflect the results of operations, financial position, and cash flows that would have been realized had the Initial Properties been held in a stand-alone entity during the periods presented.

Non-IFRS and Non-GAAP Measures

All financial information has been prepared in accordance with IFRS or GAAP. However, this MD&A also contains certain non-IFRS and non-GAAP financial measures including "net operating income" or "NOI", "funds from operations" or "FFO" and "adjusted funds from operations" or "AFFO" since these measures are commonly used by entities in the real estate industry as useful metrics for measuring performance. However, they do not have any standardized meaning prescribed by IFRS or GAAP and are not necessarily comparable to similar measures presented by other publicly traded entities. These measures should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS or GAAP.

Net operating income

Net operating income ("NOI") is a supplemental non-GAAP and non-IFRS financial measure that is not defined under GAAP. NOI is defined as investment properties revenue less property operating expenses. Management considers NOI to be an appropriate supplemental performance measure as it reflects the operating performance of the real estate portfolio.

Funds from operations

Funds from operations ("FFO") is a supplemental non-GAAP and non-IFRS financial measure for evaluating operating performance widely used in the Canadian real estate industry. FFO is an industry standard measure for evaluating operating performance and is defined as net income before fair value gains/losses on investment properties and certain other non-cash adjustments. FFO is not defined under GAAP or IFRS. Management believes FFO is an important measure of operating performance of the Initial Properties. The REIT calculates FFO in accordance with the guidelines set out by the Real Property Association of Canada.

Adjusted funds from operations

Adjusted funds from operations ("AFFO") is a supplemental non-GAAP and non-IFRS financial measure that is used in the real estate industry to assess the sustainability of future cash distributions paid by REITs. AFFO is indicative of available cash flow after capital expenditures and leasing expenses including tenant improvements. AFFO is defined as FFO adjusted for the amortization of mortgage transaction costs, straight-line rent, lease acquisition costs and maintenance capital expenditures.

FFO, AFFO and NOI should not be construed as alternatives to net income or cash flow from operating activities determined in accordance with IFRS as indicators of the REIT's performance. The REIT's method of calculating FFO, AFFO and NOI may differ from other issuers' methods and accordingly may not be comparable to measures used by other issuers. Reconciliations of these measures have been included elsewhere in this MD&A.

Effect of Adoption of IFRS

IFRS and previous GAAP are based on conceptual frameworks that are substantially the same, although significant differences exist in certain matters of recognition, measurement and disclosure. While the adoption of IFRS did not have a material impact on the Initial Properties' net cash flows, it did have a material impact on the Initial Properties' combined statements of financial position and combined statements of income and comprehensive income.

The key change resulting from the adoption of IFRS impacting the Initial Properties was to investment properties. Under previous GAAP, investment properties were recorded at cost and depreciated over their estimated useful lives. Under IAS 40, Investment Property, the Initial Properties elected to measure investment property at fair value and record changes in fair value in income during the period of change. In addition, intangible assets and liabilities recognized on the acquisition of an investment property were recognized under previous GAAP, which is not required when applying the fair value model under IFRS as the value of the intangible assets and liabilities are considered in the determination of the fair value of the investment properties.

Discussion for the three and nine month periods ended September 30, 2012 and 2011

The following discussion highlights selected financial information for the Initial Properties for the three and nine month periods ended September 30, 2012 and 2011. This information has been compiled from the unaudited condensed combined financial statements and notes thereto and should be read in conjunction with the IFRS unaudited condensed combined financial statements included elsewhere in this prospectus.

	For the three months ended		**For the nine months ended**	
(stated in $000s)	**September 30, 2012**	**September 30, 2011**	**September 30, 2012**	**September 30, 2011**
Revenues				
Revenue from investment properties	**$5,748**	$5,546	**$17,349**	$16,636
Property operating expenses	**(1,934)**	(1,997)	**(6,035)**	(5,863)
Net operating income	**3,814**	3,549	**11,314**	10,773

(stated in $000s)	For the three months ended September 30, 2012	September 30, 2011	For the nine months ended September 30, 2012	September 30, 2011
Other income (expenses)				
General and administration	**(119)**	(11)	**(144)**	(60)
Finance costs	**(1,201)**	(1,787)	**(3,950)**	(4,719)
Fair value adjustments to investment properties	**(10,627)**	(670)	**(10,630)**	335
Net income (loss) and comprehensive income (loss)	**($8,133)**	$1,081	**($3,410)**	$6,329

Investment properties revenue

Investment properties revenue of $5.7 million for the three months ended September 30, 2012 has increased by $0.2 million or 3.6% compared to the $5.5 million for the three months ended September 30, 2011. The increase in 2012 is due to higher operating cost recoveries.

For the nine months ended September 30, 2012, investment properties revenue was $17.3 million compared to $16.6 million for the same period in 2011, representing an increase of $0.7 million or 4.2%. The increase is due to an increase in occupancy to 97.1% of the Initial Properties compared to 86.7% in 2011 as well as higher income from operating cost recovery.

Property operating expenses

Property operating expenses consist of common area maintenance, utilities, insurance, property taxes, ground rent, property management and property accounting costs. The majority of these costs are recoverable from tenants to the extent permissible under the terms of the lease.

For the three months ended September 30, 2012, property operating expenses of $1.9 million were consistent with the same period in 2011 which reflects the stability in operating costs.

For the nine months ended September 30, 2012, property operating expenses were $6.0 million compared to $5.9 million for the same period in 2011, representing an increase of $0.1 million or 1.7%. The increase is comprised largely of an increase in property taxes of $0.1 million.

General and administration expense

General and administration expense includes leasing and marketing costs, legal and professional fees and various administrative costs.

For the three months ended September 30, 2012, general and administration expense was $119,000, compared to $11,000 for the same period in 2011, representing an increase of $108,000. For the nine months ended September 30, 2012, general and administration expense was $144,000, compared to $60,000 for the same period in 2011, representing an increase of approximately $84,000, or 140%. The increase for both periods is due largely to non-recoverable leasing costs of $90,000 incurred in September 2012.

Finance costs

Finance costs are comprised of the following components:

(stated in $000s)	For the three months ended September 30, 2012	For the three months ended September 30, 2011	For the nine months ended September 30, 2012	For the nine months ended September 30, 2011
Mortgage interest	**$1,207**	$1,419	**$3,939**	$4,263
Loss (gain) on interest rate swap	**(33)**	335	**(90)**	322
Amortization of mortgage transaction costs	**27**	33	**101**	134
Finance costs	**$1,201**	$1,787	**$3,950**	$4,719

For the three months ended September 30, 2012, finance costs were $1.2 million compared to $1.8 million for the same period in 2011, representing a decrease of $0.6 million or 33.3%. For the nine months ended September 30, 2012, finance costs were $4.0 million compared to $4.7 million for the comparative period in 2011, representing a decrease of $0.7 million or 14.9%. The reduction is comprised of a decrease in mortgage interest as a result of the repayment of mortgages during the nine months ended September 30, 2012 as well as a swing from a loss on interest swap incurred in 2011 to a gain in 2012.

Fair value adjustment to investment properties

For the three months ended September 30, 2012, the fair value adjustment to investment properties was a loss of $10.6 million compared to a loss of $0.7 million for the same period in 2011, representing a decrease of $9.9 million. For the nine months ended September 30, 2012, the fair value adjustment to investment properties was a loss of $10.6 million compared to a gain of $0.3 million for the same period in 2011, representing a decrease of $10.9 million. The fair value adjustment for both periods in fiscal 2012 is mainly attributable to the adjustment to reflect the sale of the properties to the REIT.

The fair value adjustment during the three months ended September 30, 2012 is mainly due to revising the fair value of the properties being disposed of to the REIT in the fourth quarter of 2012 to the purchase price that was negotiated between Huntingdon and the REIT.

Net income

For the three months ended September 30, 2012 the net loss was $8.1 million compared to net income of $1.1 million for the same period in 2011, representing a decrease of $9.2 million. For the nine months ended September 30, 2012 the net loss was $3.4 million compared to net income of $6.3 million for the same period in 2011, representing a decrease of $9.7 million. The decrease in both periods is attributable to the fair value adjustment on investment properties.

Net operating income

(stated in $000s, except % amounts)	For the three months ended September 30, 2012	For the three months ended September 30, 2011	For the nine months ended September 30, 2012	For the nine months ended September 30, 2011
Revenue from investment properties	**$5,748**	$5,546	**$17,349**	$16,636
Property operating expenses	**(1,934)**	(1,997)	**(6,035)**	(5,863)
Net operating income	**$3,814**	$3,549	**$11,314**	$10,773
Margin %	**66.4%**	**64.0%**	**65.2%**	**64.8%**

For the three months ended September 30, 2012, NOI increased to $3.8 million compared to $3.5 million for the same period in 2011 due to increased recovery of operating costs from tenants. For the nine months ended September 30, 2012, NOI increased to $11.3 million compared to $10.8 million for the same period in 2011 due mainly to increased investment property revenue as a result of increased occupancy.

Funds from operations

The following table provides a reconciliation of FFO from net income (loss) and comprehensive income (loss) for the three and nine month periods ended September 30, 2012 and 2011.

	For the three months ended		**For the nine months ended**	
(stated in $000s)	**September 30, 2012**	**September 30, 2011**	**September 30, 2012**	**September 30, 2011**
Net income (loss) and comprehensive income (loss)	**($8,133)**	$1,081	**($3,410)**	$6,329
Add (deduct):				
Amortization of leasing costs	**46**	39	**132**	47
Fair value adjustment to investment properties	**10,627**	670	**10,630**	(335)
Funds from operations (FFO)	**$2,540**	$1,790	**$7,352**	$6,041

FFO increased by $0.7 million for the three months ended September 30, 2012 compared to the same period in 2011. The increase is due mainly to decreased finance costs in the 2012 period. FFO increased by $1.4 million for the nine months ended September 30, 2012 to $7.4 million compared to $6.0 million for the same period in 2011. The improvement in FFO is the result of increased investment property revenue as a result of increased occupancy and decreased finance costs due to lower mortgage interest and a swing from an interest rate swap loss in 2011 to an interest rate swap gain in 2012.

Adjusted funds from operations

The following table provides a reconciliation of AFFO from FFO for the three and nine month periods ended September 30, 2012 and 2011.

	For the three months ended		**For the nine months ended**	
(stated in $000s)	**September 30, 2012**	**September 30, 2011**	**September 30, 2012**	**September 30, 2011**
Funds from operations (FFO)	**$2,540**	$1,790	**$7,352**	$6,041
Add (deduct):				
Amortization of mortgage transaction costs	**27**	33	**101**	134
Capital expenditures	**(502)**	(536)	**(570)**	(808)
Straight-line rent	**104**	(43)	**89**	(171)
Leasing commissions and tenant improvements	**(83)**	(124)	**(191)**	(1,133)
Change in fair value of interest rate swap	**(33)**	335	**(90)**	322
Adjusted funds from operations (AFFO)	**$2,053**	$1,455	**$6,691**	$4,385

AFFO increased by $0.6 million or 40.0% to $2.1 million for the three months ended September 30, 2012 compared to $1.5 million for the same period in 2011. For the nine months ended September 30, 2012, AFFO increased by $2.3 million or 52.3% to $6.7 million compared to $4.4 million for the same period in the prior year. The increase in AFFO for the three months ended September 30, 2012 is largely attributable to lower mortgage interest and slightly lower capital expenditure and leasing commissions and tenant improvement expenditure in 2012. The increase in AFFO for the nine months ended September 30, 2012 is also largely attributable to lower mortgage interest and lower capital expenditure and leasing commissions and tenant improvement expenditure in 2012.

Cash flows from operating, financing and investing activities

The Initial Properties' primary sources of capital are cash generated from operating, financing and investing activities. Management expects to meet all of the Initial Properties' obligations through current cash, cash flows from operations and refinancing of mortgages.

The following table provides an overview of the Initial Properties' cash flows from operating, financing and investing activities for the nine month period ended September 30, 2012 and for the comparative period in 2011.

	For the nine months ended	
(stated in $000s)	**September 30, 2012**	**September 30, 2011**
Net change in cash related to:		
Operating	$6,112	$5,658
Investing	(761)	(1,941)
Financing	(5,154)	(3,656)
Net change in cash during the period	**$197**	**$61**

The improvement in net cash flow generated for the nine months ended September 30, 2012 compared to the same period in 2011 was the result of the following factors:

- Operating – the increase in operating cash flow for the nine months ended September 30, 2012 compared to the same period in 2011 is due to mainly to an increase in occupancy during the fiscal 2012 resulting in an increase in net operating income;

- Investing – 2012 cash outflow is lower than 2011 due to higher capital expenditure and direct leasing expenses in 2011; and

- Financing – 2012 cash outflow is higher due to a combination of the following: mortgage proceeds of $0.8 million received in 2011 compared to nil in 2012; the discharge of certain mortgages in 2012 for the replacement of security on the secured debentures issued by Huntingdon which was partially off-set by an increase in the contribution from Huntingdon in 2012.

Commitments and contingencies

The estimated maturities of the Initial Properties' financial liabilities, as well as the future minimum lease payments under the ground lease are set out below. Accounts payable and other liabilities exclude the interest rate swap liability on a mortgage of $0.9 million.

(stated in $000s)	Total	2012 (3 months)	2013	2014	2015	2016	After 2016
Accounts payable and other liabilities	$1,735	$1,735	$-	$-	$-	$-	$-
Mortgages payable	84,858	13,006	17,888	2,060	21,547	23,029	7,328
Ground-lease payments	8,713	91	366	366	366	366	7,158
Total	**$95,306**	**$14,832**	**$18,254**	**$2,426**	**$21,913**	**$23,395**	**$14,486**

Commitments disclosure for mortgages payable includes the principal balance only.

Discussion of the years ended December 31, 2011 and 2010 (IFRS)

The following discussion highlights selected financial information for the Initial Properties for the years ended December 31, 2011 and 2010. This information has been compiled from the audited combined financial statements and notes thereto and should be read in conjunction with the IFRS audited financial statements included elsewhere in this prospectus.

	For the year ended	
(stated in $000s, except %)	**Dec 31, 2011**	**Dec 31, 2010**
Revenues		
Revenue from investment properties	**$22,353**	$22,020
Property operating expenses	**(7,937)**	(7,920)
Net operating income	**14,416**	14,100
Other income (expenses)		
General and administration	**(76)**	(38)
Finance costs	**(6,188)**	(6,181)
Fair value adjustments to investment properties	**2,419**	10,149
Net income and comprehensive income	**$10,571**	$18,030

Investment properties revenue

For the year ended December 31, 2011, investment properties revenue of $22.3 million was consistent with the comparable period in the prior year of $22.0 million, representing an increase of $0.3 million or 1.4%. The consistency between the two periods is attributable to both occupancy and recovery of property operating costs being relatively consistent over the two years.

Property operating expenses

For both the years ended December 31, 2011 and 2010, property operating expenses were relatively stable at $7.9 million.

General and administration expense

For the year ended December 31, 2011, general and administration expense of $76,000 was consistent with the expense incurred in 2010 of $38,000.

Finance costs

Finance costs are comprised of the following components:

	For the year ended	
(stated in $000s)	**Dec 31, 2011**	**Dec 31, 2010**
Mortgage interest	**$5,669**	$5,719
Loss on interest rate swap	**348**	135
Amortization of mortgage transaction costs	**171**	327
Finance costs	**$6,188**	$6,181

Finance costs were consistent for the year ended December 31, 2011 compared to the same period in 2010 as the increase in the loss on interest swap was off-set by the decrease in the amortization of mortgage transaction costs. These are both non-cash items.

Fair value adjustment to investment properties

For the year ended December 31, 2011, the fair value adjustment to investment properties was a gain of $2.4 million compared to a gain of $10.1 million for the same period in 2010, representing a decrease of $7.7 million. The gain during both of these periods is the result of increases in the fair value of the underlying investment properties in excess of capital expenditures and leasing expenses incurred during the year. The large gain recognized during 2010 reflects, in part, the compression of capitalization rates during the year.

Net income

For the year ended December 31, 2011 net income was $10.6 million compared to $18.0 million for the same period in 2011, representing a decrease of $7.4 million. The decrease is attributable to the fair value adjustment on investment properties, which decreased by $7.7 million.

Net operating income

	For the year ended	
(stated in $000s, except % amounts)	**Dec 31, 2011**	**Dec 31, 2010**
Revenue from investment properties	**$22,353**	$22,020
Property operating expenses	**(7,937)**	(7,920)
Net operating income	**$14,416**	$14,100
Margin %	**64.5%**	64.0%

For the year ended December 31, 2011, NOI was relatively consistent with the prior year at $14.4 million compared to $14.1 million for the same period in 2010. The consistency between the two periods is attributable to both occupancy and property operating costs being relatively stable over the two years.

Funds from operations

The following table provides a reconciliation of FFO from net income and comprehensive income for the 12-month periods ended December 31, 2011 and 2010.

	For the year ended	
(stated in $000s)	**Dec 31, 2011**	**Dec 31, 2010**
Net income and comprehensive income	**$10,571**	$18,030
Add (deduct):		
Amortization of leasing costs	**87**	8
Fair value adjustment to investment properties	**(2,419)**	(10,149)
Funds from operations	**$8,239**	$7,889

FFO is relatively consistent with the prior year, increasing by $0.4 million or 4.4% for the 12 months ended December 31, 2011 compared to the same period in 2010. The increase is the result of the increase in net operating income compared to the prior year.

Adjusted funds from operations

The following table provides a reconciliation of AFFO from FFO for the years ended December, 2011 and 2010.

	For the year ended	
(stated in $000s)	**Dec 31, 2011**	**Dec 31, 2010**
Funds from operations	**$8,239**	$7,889
Add (deduct):		
Amortization of mortgage transaction costs	**171**	327
Straight-line rent	**(211)**	(423)
Loss on interest rate swap	**348**	135
Leasing commissions and tenant improvements	**(1,331)**	(380)
Capital expenditures	**(944)**	(4,228)
Adjusted funds from operations	**$6,272**	$3,320

AFFO increased by $3.0 million for the twelve months ended December 31, 2011 compared to the same period in 2010. The increase is mainly the result of lower capital expenditures in 2011. During 2010 there was considerable reinvestment into the portfolio which had the impact of reducing AFFO for that period. The capital expenditures represent, in part, recoverable and non-recoverable building improvements.

Cash flows from operating, financing and investing activities

The following table provides an overview of the Initial Properties' cash flows from operating, financing and investing activities for the years ended December 31, 2011 and 2010.

	For the year ended	
(stated in $000s)	**Dec 31, 2011**	**Dec 31, 2010**
Net change in cash related to:		
Operating	**$8,212**	$9,072
Investing	**(2,275)**	(4,608)
Financing	**(5,914)**	(6,261)
Net change in cash during the period	**$23**	($1,797)

The increase in net cash flow generated for the year ended December 31, 2011 compared to the same period in 2010 was the result of the following factors:

- Operating – the decrease of $0.9 million in cash flows from operating activities in 2011 as compared to 2010 is mainly due to change in working capital between the years;
- Investing – the increase of $2.3 million in 2011 as compared to 2010 in the utilization of cash was as a result of $2.3 million more in capital expenditures in 2010 compared to 2011; and
- Financing – the increase of $0.4 million in 2011 cash flows as compared to 2010 is due to a higher distribution to Huntingdon in 2010 than in 2011, which is largely off-set by larger repayment of mortgages net of proceeds from mortgage financing in 2011.

Discussion of the years ended December 31, 2010 and 2009 (GAAP)

The following discussion highlights selected financial information for the Initial Properties for the years ended December 31, 2010 and 2009. This information has been compiled from the audited combined financial statements and notes thereto and should be read in conjunction with the audited financial statements included elsewhere in this prospectus.

	For the year ended	
(stated in $000s)	**Dec 31, 2010**	**Dec 31, 2009**
Revenues		
Revenue from income properties	**$21,947**	$22,571
Interest and other income	**26**	-
	21,973	22,571
Expenses		
Property operating costs	**(7,915)**	(8,718)
Finance costs	**(6,181)**	(6,193)
General and administration	**(38)**	(6)
Amortization	**(4,873)**	(5,093)
Net income and comprehensive income	**$2,966**	$2,561

Income properties revenue

For the year ended December 31, 2010, income properties revenue was $21.9 million compared to $22.6 million for the same period in 2009, representing a decrease of $0.7 million or 2.7%. The lower revenue was attributable to a decline in occupancy at certain Manitoba properties.

Interest and other income

For the year ended December 31, 2010 interest and other income of $26,000 relates to revenue from amortized recoverable capital expenditures.

Property operating costs

For the year ended December 31, 2010, property operating costs were $7.9 million compared to $8.7 million for the same period in 2009, representing a decrease of $0.8 million or 9.2%. The decrease in the 2010 expenses is due to the internalization of property management during the first quarter of the year and a reduction in repairs and maintenance costs during the year.

General and administration

For the year ended December 31, 2010, general and administration was $38,000 compared to $6,000 for the same period in 2009, representing an increase of $32,000. The increase is largely attributable to an increase in professional fees during 2010.

Finance costs

Finance costs are comprised of the following components:

	For the year ended	
(stated in $000s)	**Dec 31, 2010**	**Dec 31, 2009**
Mortgage interest	**$5,719**	$5,949
Loss on interest rate swap	**135**	4
Amortization of mortgage transaction costs	**327**	240
Finance costs	**$6,181**	$6,193

Finance costs of $6.2 million were consistent for 2009 and 2010 as the company debt service obligations were consistent during both years.

Amortization

For the year ended December 31, 2010 amortization expense was $4.9 million compared to $5.1 million for the same period in 2009, representing a decrease of $0.2 million or 3.9%. Amortization expense includes the amortization of income properties as well as leasing costs and other intangibles. Amortization expense decreased as a reflection of balances becoming fully amortized.

Net income

For the year ended December 31, 2010 net income was $3.0 million compared to $2.6 million for the same period in 2009, representing an increase of $0.4 million. The increase is due to a reduction in property operating costs and amortization expense.

Net operating income

(stated in $000s, except % amounts)	For the year ended Dec 31, 2010	Dec 31, 2009
Revenue from investment properties	**$21,947**	$22,571
Property operating expenses	**(7,915)**	(8,718)
Net operating income	**$14,032**	$13,853
Margin %	**63.9%**	61.4%

NOI was consistent for 2009 and 2010 which was the result of two offsetting factors being a decline in occupancy from 2009 to 2010 which was offset by savings in operating costs.

Funds from operations

The following table provides a reconciliation of FFO from net income and comprehensive income for the years ended December 31, 2010 and 2009.

(stated in $000s)	For the year ended Dec 31, 2010	Dec 31, 2009
Net income and comprehensive income	**$2,966**	$2,561
Add (deduct):		
Amortization	**4,873**	5,093
Funds from operations	**$7,839**	$7,654

FFO has remained steady for 2010 and 2009. The consistency in FFO is the result of the offsetting impact of declining revenues from occupancy losses offset by savings in operating costs.

Adjusted funds from operations

The following table provides a reconciliation of AFFO from FFO for the years ended December, 2010 and 2009.

(stated in $000s)	For the year ended Dec 31, 2010	Dec 31, 2009
Funds from operations	**$7,839**	$7,654
Add (deduct):		
Amortization of mortgage transaction costs	**327**	240
Straight-line rent	**(637)**	(213)
Amortization of above-market leases	**123**	142
Amortization of below-market leases	**(68)**	(114)
Loss on interest rate swap	**135**	4
Capital and leasing expenditures	**(4,608)**	(974)
Adjusted funds from operations	**$3,111**	$6,739

AFFO decreased by \$3.6 million or 53.7% for the year ended December 31, 2010 compared to the same period in 2009. The decrease is mainly the result of higher capital expenditures in 2010. During 2010, the Initial Properties had considerable reinvestment into the portfolio which had the impact of reducing AFFO for the period. These capital expenditures represent, in part, recoverable and non-recoverable building improvements.

Cash flows from operating, financing and investing activities

The following table provides an overview of the Initial Properties' cash flows from operating, financing and investing activities for the years ended December 31, 2010 and 2009.

	For the year ended	
(stated in $000s)	**Dec 31, 2010**	**Dec 31, 2009**
Net change in cash related to:		
Operating	**$8,814**	$5,899
Investing	**(4,350)**	(260)
Financing	**(6,261)**	(5,647)
Net change in cash during the period	**($1,797)**	($8)

The decline in net cash flow generated for the year ended December 31, 2010 compared to the same period in 2009 was the result of the following factors:

- Operating – cash flows from operating activities improved due to ongoing billings to tenants in respect of operating cost adjustments and from the internalization of property management during 2010;
- Investing – there were approximately \$4.0 million more capital expenditures in 2010 compared to 2009 which had the impact of decreasing cash flows from investing activities for 2010; and
- Financing – the reduction of cash flows of \$0.7 million is due to an increase in the distribution to Huntingdon, partially off-set by an increase in mortgages refinanced in 2010 net of mortgage payments as compared to the prior year.

Transactions Between Related Parties

For the three and nine months ended September 30, 2012 and the year ended December 31, 2011, there were no transactions between related parties. For the year ended December 31, 2010, the Initial Properties incurred property management and leasing fees under a property management agreement with Shelter Canadian Properties Limited (Shelter). Shelter and its parent company, 2668921 Manitoba Ltd. were related parties of the Initial Properties by virtue of the fact that all outstanding shares of 2668921 Manitoba Ltd. are owned by the family trust of a former officer and trustee of Huntingdon. Property management fees were $101,000 (December 31, 2009 - $670,000) and leasing fees were $17,000 (December 31, 2009 - $641,000). The agreement was not renewed upon expiration on February 23, 2010.

Liquidity, Capital Resources and Contractual Commitments

The contractual commitments of the Initial Properties to be assumed by the REIT on Closing are as follows (commitments disclosure for mortgages payable and the VTB Note include the principal balance only):

(stated in $000s)	**Total**	**2013**	**2014**	**2015**	**2016**	**After 2016**
Mortgages payable	$93,677	$17,530	$2,597	$22,107	$23,585	$27,858
VTB Note	$9,180	-	-	$9,180	-	-
Ground-lease payments	8,623	366	366	366	366	7,159
Total	$111,480	$17,896	$2,963	$31,653	$23,951	$35,017

The Initial Properties are required to maintain annual debt service ratios for certain mortgages. As of December 31, 2011 the Initial Properties did not meet the debt service ratio for one mortgage in the amount of $2.5 million that matures in 2013. Management has obtained a waiver from the lender waiving the breach of the financial covenant. The mortgage continues to be repaid in accordance with the term of the original mortgage agreement. This mortgage is being disclosed in current mortgages payable.

Prior to Closing, management refinanced mortgages within the portfolio resulting in an overall increase in the mortgage portfolio of $8,559 at the time of Closing. The repayment terms of the refinanced mortgages has been reflected in the above commitment table. The commitment of the REIT in fiscal 2013 of $17,530 for the mortgages and other liabilities will be funded through refinancing of mortgages, operations and working capital. Management estimates that certain capital expenditures will be required to maintain the Initial Properties. On Closing, the REIT will retain approximately $3.0 million from the purchase price for the Initial Properties which will be available to fund near term capital expenditures on the Initial Properties. See "Retained Interest – Capital Expenditure Subsidy". Following Closing, the REIT expects to be able to meet all of its financial obligations as they become due. The REIT expects to have sufficient liquidity as a result of cash flows from operating activities and financing available through the secured Revolving Credit Facility which will be in place on Closing. The REIT will seek to maintain a combination of short, medium, and long-term debt maturities that are appropriate for the overall debt level of its portfolio, taking into account availability of financing and market conditions, and the financial characteristics of each property.

Risks and Uncertainties

There is business risk associated with the ownership of the Initial Properties. See "Risk Factors".

Significant Accounting Policies

For a full list of accounting policies used in the preparation of the IFRS unaudited condensed combined interim financial statements for the three and nine months ended September 30, 2012 and 2011, the IFRS audited combined financial statements for the years ended December 31, 2011 and 2010 and the Canadian GAAP audited combined financial statements for the years ended December 31, 2010 and 2009 please refer to note 3 "Significant accounting policies" of the relevant financial statements contained elsewhere within this prospectus.

Future Accounting Policy Changes

IFRS 9, Financial Instruments, effective for annual periods beginning on or after January 1, 2015 replaces the guidance in *IAS 39, Financial Instruments: Recognition and Measurement* on the classification and measurement of financial instruments. IFRS 9 will use a single approach to determine whether a financial asset is measured at amortized cost or fair value. In addition, under IFRS 9 for financial liabilities measured at fair value, changes in fair value attributable to changes in credit risk will be recognized in other comprehensive income, with the remainder of the change recognized in profit or loss. However if this requirement creates or enlarges an accounting mismatch in profit or loss, the entire change in fair value will be recognized in profit or loss. The Initial Properties are currently evaluating the impact of IFRS 9 on the combined financial statements.

IFRS 10, Consolidated Financial Statements, effective for annual periods beginning on or after January 1, 2013, establishes principles for the presentation and preparation of combined financial statements when an entity controls one or more other entities. IFRS 10 supersedes *IAS 27, Consolidated and Separate Financial Statements* and *SIC-12, Consolidation - Special Purpose Entities*. The Initial Properties are currently evaluating the impact of IFRS 10 on the combined financial statements.

IFRS 11, Joint Arrangements, was issued and IAS 28, Investments in Associates, was amended in 2011, effective for periods beginning on or after January 1, 2013. IFRS 11 replaces the guidance in *IAS 13, Interest in Joint Ventures*. IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This will affect the accounting for jointly controlled entities which the Initial Properties currently proportionately consolidate under IFRS. IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. The Initial Properties are currently evaluating the impact of IFRS 11 and amendments to IAS 28 on the combined financial statements.

IFRS 12, Disclosure of Interests in Other Entities, effective for annual periods beginning on or after January 1, 2013, applies to entities that have an interest in a subsidiary, joint arrangement, an associate or an uncombined structured entity. The required disclosures aim to provide information in order to enable users to evaluate the nature of, and the risks associated with, an entity's interest in other entities and the effect of those interests on the entity's financial position, financial performance and cash flows. The Initial Properties are currently evaluating the impact of IFRS 12 on the combined financial statements.

IFRS 13, Fair Value Measurements, effective for annual periods beginning on or after January 1, 2013, defines fair value, sets out a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies to IFRS standards that require or permit fair value measurement or disclosures about fair value measurements (and measurements such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances. The Initial Properties are currently evaluating the impact of IFRS 13 on the combined financial statements.

Critical Accounting Estimates

The Initial Properties' critical estimates and judgments are those that management believes are the key assumptions in the preparation of the financial statements.

Valuation of investment properties

The critical estimates and assumptions underlying the valuation of investment properties include, among other things, rental revenue from current leases, reasonable and supportable assumptions that represent what knowledgeable, willing parties would assume about rental revenue from future leases in light of current conditions, less anticipated future cash outflows in respect of tenant installation costs and investment property operations; and capitalization and discount rates arrived at through an independent analysis of market data within the applicable market segment and geographical location.

Provisions

The critical estimates and assumptions underlying the provision for decommissioning liabilities in relation to ground leases include, among other things, the estimated cost of restoration at the end of the ground leases, the likelihood of renewal and duration of the ground leases, the estimated rate of inflation and discount rates.

Leases

Management makes judgments in determining whether certain leases, in particular those leases with long contractual terms where the lessee is the sole tenant in a property and long-term ground leases where the Initial Properties is the lessee, are operating or finance leases. Management has determined that all tenant and ground leases are operating leases.

For a full list of accounting estimates used in the preparation of the IFRS unaudited condensed combined interim financial statements for the three and nine months ended September 30, 2012 and 2011 and the IFRS audited combined financial statements for the years ended December 31, 2011 and 2010 please refer to note 2 "Statement of compliance" of the relevant financial statements contained elsewhere within this prospectus.

MANAGEMENT OF THE REIT

Huntingdon

The REIT's wholly-owned properties will be managed by Huntingdon. Huntingdon is a real estate operating company listed on the TSX (Common Shares: HNT; Debentures: HNT.DB; Warrants: HNT.WT). Huntingdon owns and manages a portfolio of industrial, office, retail and aviation-related properties throughout Canada.

Management Agreement

Pursuant to the Management Agreement, Huntingdon will provide the REIT with strategic, asset management, administrative, property management, leasing, construction management and administrative services necessary to manage the day-to-day operations of the REIT and its assets (collectively, the "Management Services"). Huntingdon will provide such administrative, executive and management personnel as may be reasonably necessary to perform its obligations by using its own employees. Huntingdon shall also provide personnel to serve as CEO and CFO of the REIT.

Pursuant to the Management Agreement, Huntingdon will have the right to nominate one Trustee for election to the Board during the term of the Management Agreement, provided that so long as Huntingdon or an affiliate of Huntingdon has rights to elect Board members in accordance with the Declaration of Trust this right shall not apply.

Huntingdon will be entitled to the following fees for its management services:

- a "base management fee" equal to 0.3% of the GBV of the REIT's assets;
- a "property management fee" equal to 3.0% of the gross revenues collected and remitted from the REIT's assets.

  Huntingdon shall be entitled to receive reimbursement for all reasonable out-of-pocket costs and expenses incurred by Huntingdon in the performance of its duties under the Management Agreement, consistent with industry standards in such regard. Reimbursable expenses shall be reimbursed to Huntingdon on a monthly basis. For greater certainty, reimbursable expenses shall not include any mark-up or profit component for Huntingdon.

  These reimbursements will include landlord reimbursements and recoveries as well as property administration fees allowable under the tenant leases relating to assets or resources of Huntingdon that are directly attributable to the management of the REIT's properties, including those relating to: (i) employment expenses of property-related personnel (salaries, wages, cost of employee benefit plans, etc.) and (ii) expenses related to on-site offices. For greater clarity, Huntingdon shall not be reimbursed for corporate-level general and administrative expenses;

- an "acquisition fee" equal to 1.0% of the purchase price on the first \$100 million of properties acquired in each fiscal year; (ii) 0.75% of the purchase price on the next \$100 million of properties acquired each fiscal year, and (iii) 0.50% of the purchase price on properties in excess of \$200 million acquired in each fiscal year; provided that no acquisition fee will be payable in respect of the Initial Properties or any properties owned by Huntingdon or any of its subsidiaries at the time of Closing if such properties are subsequently acquired by the REIT;

- a "financing fee" equal to 0.25% of the value of any debt financing payable on transaction completion;

- a "leasing fee" equal to 5.0% of the base rent for all new leases and 2.0% of base rent for all renewals of existing leases and expansion of leased premises, payable on the signing of a binding lease, extension, renewal or amending document; and

- a "construction management fee" equal to 5.0% of all costs of any construction activity undertaken by the REIT, payable at the time payments for construction are made. Construction activities include all tenant and building improvements undertaken by the REIT but exclude maintenance capital expenditures.

Huntingdon will not charge any disposition fees.

In addition, Huntingdon will be reimbursed for all third party costs and out-of-pocket expenses incurred in connection with the performance of the services described in the Management Agreement or such other services which the REIT and Huntingdon agree in writing are to be provided from time to time by Huntingdon, including: (i) interest and other costs of borrowed money; (ii) legal, accounting and other professional advisors, appraisers and consultants; (iii) fees/expenses incurred in connection with acquisitions, dispositions and ownership of property or mortgage loans or other property; (iv) insurance; (v) travel and accommodation expenses; and (vi) incorporation, organization and maintenance of subsidiaries of the REIT.

The Management Agreement is for a term of 10 years (the "Initial Term") and is renewable for further five year terms (the "Renewal Terms", and together with the Initial Term, the "Term"), unless and until the Management Agreement is terminated in accordance with the provisions thereof. Subject only to the termination provisions in the Management Agreement, Huntingdon will automatically be re-engaged at the expiration of each Term. Huntingdon has the right, at any time, but upon 180 days' prior written notice, to terminate the Management Agreement for any reason. Huntingdon may also terminate the Management Agreement upon the occurrence of an "event of default" (as defined in the Management Agreement) of the REIT.

The REIT will have the right to terminate the Management Agreement upon an "event of default" (being a bankruptcy, fraud or material uncured breach) by Huntingdon. The REIT may also terminate the Management Agreement, upon three months' prior written notice, at the expiry of the Initial Term and thereafter upon the expiry of each ensuing Renewal Term provided that: (i) a majority of the Independent Trustees determine that the services of Huntingdon under the Management Agreement are unsatisfactory; (ii) such termination is approved by at least two-thirds of the votes cast by Unitholders at a duly called meeting of Unitholders; and (iii) a termination fee in an amount equal to the fees payable to Huntingdon for the prior 12-month period is paid to Huntingdon. For greater certainty, no termination fee will be payable where the Management Agreement is terminated due to an event of default of Huntingdon or where the Management Agreement is terminated by Huntingdon (other than in connection with an event of default of the REIT).

Upon termination of the Management Agreement for any reason (other than for a Huntingdon event of default or by Huntingdon for convenience), the REIT will fully indemnify Huntingdon from and against any and all severance costs (if any) actually incurred by Huntingdon in respect of employees of Huntingdon arising out of or resulting from the ensuing termination of redundant or surplus employees as a consequence of the termination of the Management Agreement in respect of the period after Closing that each such employee has worked on REIT matters and based on the proportion of each such employee's services attributable to REIT matters (the "Servicer Employee Severance Costs").

Management Restrictions

During the term of the Management Agreement, Huntingdon and its officers and directors are not to, directly or indirectly, individually or in partnership or jointly or in conjunction with any person(s): (i) create or manage another real estate investment trust focused on the ownership of industrial, office or retail properties in Canada and/or the U.S. (the "Restricted Investments"); (ii) invest in, purchase or finance the purchase of any assets which constitute Restricted Investments and meet the investment criteria of the REIT, unless such investment opportunity has first been offered to the REIT (on no less favourable terms) and the REIT has declined to purchase such assets; or (iii) solicit tenants, suppliers, employees, consultants, advisers, partners, trustees, directors, officers or agents away from the REIT or its facilities, or otherwise interfere with relationships that the REIT has with such persons.

The above restrictions will not apply to (each, a "Permitted Property"): (a) any interest up to $10 million in an entity owning Restricted Investments that represents less than a 50% fully-diluted interest in such entity and affiliates of that entity; (b) any interest in the securities of a public entity owning Restricted Investments that represents less than a 10% fully-diluted interest in such entity; (c) any interest in the securities of a public entity owning Restricted Investments (representing up to a 100% interest) provided that any Restricted Investments owned or subsequently acquired by such entity that do not constitute a Permitted Property are first offered to the REIT; (d) any controlling interest in any entity or a portfolio of assets, in each case that owns or contains Restricted Investments that comprise less than 30% of the asset value of such entity or portfolio; (e) any activity related to (i) any Restricted Investment that is first offered to the REIT in accordance with the restrictions above, or (ii) any of the other exceptions in this section; and (f) any other exception approved by the Board of the REIT from time to time (provided that the Independent Trustees shall be required to act reasonably and expeditiously in responding to any request for an exception).

Non-Solicitation

During, and for a period of two years following termination of the Management Agreement, the REIT will not (without the consent of Huntingdon), solicit or hire for employment any employee of Huntingdon (other than non-executives who respond to an advertisement available to the general public), provided that the REIT will be entitled to solicit any non-executive employee of Huntingdon in respect of whom the REIT is required to pay Servicer Employee Severance Costs.

TRUSTEES AND EXECUTIVE OFFICERS OF THE REIT

Governance and Board of Trustees

The Declaration of Trust provides that, subject to certain conditions, the Trustees will have absolute and exclusive power, control and authority over the REIT's assets and operations, as if the Trustees were the sole and absolute legal and beneficial owners of the REIT's assets. The governance practices, investment guidelines and operating policies of the REIT will be overseen by a Board of Trustees consisting of a minimum of one and a maximum of nine Trustees, a majority of whom will be Canadian residents. The REIT must, at all times after the Offering, have a majority of Trustees who are independent within the meaning of National Instrument 58-201 — *Corporate Governance Guidelines* ("NI 58-201") provided, however, that if at any time a majority of the Trustees are not independent because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any Trustee who was an independent Trustee, this requirement shall not be applicable for a period of 60 days thereafter, during which time the remaining Trustees shall appoint a sufficient number of Trustees who qualify as "independent" to comply with this requirement.

As of Closing, the Board will be comprised of five Trustees. A Trustee is an independent Trustee if such person is independent within the meaning of NI 58-201 (an "Independent Trustee"). Pursuant to NI 58-201, an Independent Trustee is one who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a Trustee's independent judgment. The REIT has determined that Pam Spackman, Gary Samuel, Ian MacKellar and Georges Dubé will be independent under these standards. Zachary

George, as Huntingdon's CEO, is not independent under these standards. All of the trusteeships and directorships of the Trustees with other public entities are disclosed in the biographical information for each Trustee set out below. The Board of Trustees has selected Gary Samuel to act as lead independent Trustee following Closing.

The mandate of the REIT's Board will be one of stewardship and oversight of the REIT and its business. In fulfilling its mandate, the Board will adopt a written charter setting out its responsibility, among other things, for (i) participating in the development of and approving a strategic plan for the REIT; (ii) supervising the activities and managing the investments and affairs of the REIT; (iii) approving major decisions regarding the REIT; (iv) defining the roles and responsibilities of management; (v) reviewing and approving the business and investment objectives to be met by management; (vi) assessing the performance of and overseeing management; (vii) reviewing the REIT's debt strategy; (viii) identifying and managing risk exposure; (ix) ensuring the integrity and adequacy of the REIT's internal controls and management information systems; (x) succession planning; (xi) establishing committees of the Board, where required or prudent, and defining their mandate; (xii) maintaining records and providing reports to Unitholders; (xiii) ensuring effective and adequate communication with Unitholders, other stakeholders and the public; (xiv) determining the amount and timing of distributions to Unitholders; and (xv) acting for, voting on behalf of and representing the REIT as a holder of LP Units of FAM LP.

The Board will adopt a written position description for the Chairman of the Board which will set out the Chairman's key responsibilities, including duties relating to setting Board meeting agendas, chairing Board and Unitholder meetings, Trustee development and communicating with Unitholders and regulators. The Board will also adopt a written position description for each of the committee chairs which will set out each of the committee chair's key responsibilities, including duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee. These descriptions will be considered by the Board for approval annually.

The REIT will adopt a written code of conduct (the "Code of Conduct") that applies to all Trustees, officers, and management of the REIT and its Subsidiaries. The objective of the Code of Conduct is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the REIT and its Subsidiaries. The Code of Conduct addresses conflicts of interest, protecting the REIT's assets, confidentiality, fair dealing with security holders, competitors and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour. As part of the Code of Conduct, any person subject to the Code of Conduct is required to avoid or fully disclose interests or relationships that are harmful or detrimental to the REIT's best interests or that may give rise to real, potential or the appearance of conflicts of interest. The Board will have the ultimate responsibility for the stewardship of the Code of Conduct. The Code of Conduct will also be filed with the Canadian securities regulatory authorities on the SEDAR website at www.sedar.com.

The standard of care and duties of the Trustees provided in the Declaration of Trust will be similar to those imposed on directors of a corporation governed by the *Canada Business Corporations Act* ("CBCA"). Accordingly, each Trustee will be required to exercise the powers and discharge the duties of his or her office honestly, in good faith and in the best interests of the REIT and the Unitholders and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that each Trustee will be entitled to indemnification from the REIT in respect of the exercise of the Trustee's powers and the discharge of the Trustee's duties, provided that the Trustee acted honestly and in good faith with a view to the best interests of the REIT and the Unitholders or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where the Trustee had reasonable grounds for believing that his or her conduct was lawful.

Other than the Trustee nominated by Huntingdon as described below, the nominees for election of the Trustees will be determined by the Compensation, Governance and Nominating Committee in accordance with the provisions of the Declaration of Trust and will be included in the proxy related materials to be sent to Unitholders prior to each annual meeting of Unitholders. Trustees will be elected at each annual meeting of Unitholders to hold office for a term expiring at the close of the next annual meeting. The REIT's first annual meeting will be held on or before June 30, 2014, in accordance with the Declaration of Trust.

The Unitholders or the Trustees will be entitled to change the number of Trustees comprising the Board, provided that the number of Trustees comprising the Board will be set at five Trustees for two years following Closing unless changed by a resolution approved by at least two-thirds of the votes cast at a meeting of Unitholders.

A quorum of the Trustees, being the majority of the Trustees then holding office (provided a majority of the Trustees comprising such quorum are residents of Canada), will be permitted to fill a vacancy in the Trustees, except a vacancy resulting from an increase in the number of Trustees or from a failure of the Unitholders to elect the required number of Trustees. In the absence of a quorum of Trustees, or if the vacancy has arisen from an increase in the number of Trustees other than in accordance with the provision regarding the appointment of Trustees in the Declaration of Trust or from a failure of the Unitholders to elect the required number of Trustees, the Trustees will promptly call a special meeting of the Unitholders to fill the vacancy. If the Trustees fail to call that meeting or if there is no Trustee then in office, any Unitholder will be entitled to call such meeting. Except as otherwise provided in the Declaration of Trust, the Trustees may, between annual meetings of Unitholders, appoint one or more additional Trustees to serve until the next annual meeting of Unitholders, provided that the number of additional Trustees so appointed will not at any time exceed one-third of the number of Trustees who held such office at the conclusion of the immediately preceding annual meeting of Unitholders. Any Trustee may resign upon 30 days' written notice to the REIT, unless such resignation would cause the number of remaining Trustees to be less than a quorum, and may be removed by an ordinary resolution passed by a majority of the votes cast at a meeting of Unitholders.

The Declaration of Trust provides that so long as Huntingdon has an interest of at least 5% of the Trust Units on a fully-diluted basis, Huntingdon will have the right to nominate one Trustee to the Board, provided that should the Board size be increased or decreased, Huntingdon's nominee rights shall be increased or decreased proportionately (rounding up).

The following table sets forth the name, municipality, state/province and country of residence, positions held with the REIT and principal occupation of the Trustees of the REIT whose appointment will be effective upon Closing (other than Zachary George who is currently a Trustee):

Name and Municipality of Residence	Position with the REIT	Principal Occupation
ZACHARY GEORGE(6)(7) .... Stamford, Connecticut, United States	Trustee	CEO of Huntingdon
PAM SPACKMAN(2)(3)(8) .... Toronto, Ontario, Canada	Trustee	Chair of the Mortgage Advisory Committee for Timbercreek Mortgage Strategies Inc.
GARY SAMUEL(1)(3)(5)(8)(9) .... Toronto, Ontario, Canada	Trustee	President, Perek Bet Inc.
IAN MACKELLAR(4)(5)(8) .... Toronto, Ontario, Canada	Trustee	Corporate Director
GEORGES DUBÉ (1)(8) .... Toronto, Ontario, Canada	Trustee	Partner, Bennett Jones LLP

Notes:

(1) Member of the Compensation, Governance and Nominating Committee.

(2) Chair of the Compensation, Governance and Nominating Committee.

(3) Member of the Audit Committee.

(4) Chair of the Audit Committee.

(5) Member of the Investment Committee.

(6) Chair of the Investment Committee.

(7) Chair of the Board.

(8) Independent Trustee.

(9) Lead Independent Trustee.

Each of Zachary George, Sandeep Manak and Azim Lalani is a Trustee of the REIT for purposes of applicable securities laws as at the date of this prospectus. As none of the other above-mentioned individuals will be appointed as Trustee of the REIT prior to filing this prospectus, the REIT does not believe that such individuals will have liability for the contents of this prospectus under applicable securities laws of the provinces and territories of Canada. Mr. Manak and Mr. Lalani will resign as Trustees immediately following the appointment of Pam Spackman, Gary Samuel, Ian MacKellar and Georges Dubé.

Additional biographical information regarding the individuals who will be Trustees of the REIT as of Closing, for the past five years is set out below:

Zachary George, Stamford, Connecticut, United States. Mr. George is a director and the Chief Executive Officer of Huntingdon. Mr. George is also a Co-Founder and Portfolio Manager of FrontFour Capital Group LLC, an event-driven hedge fund manager launched in 2006. He previously served as a Senior Investment Analyst at Pirate Capital and as a Credit Analyst for Mizuho Corporate Bank Ltd. He previously served as the Lead Independent Director of Cornell Companies Inc. and as the Lead Independent Director of PW Eagle Inc. and as a Director of Allied Defense Group, Inc. Mr. George received his JD from Brooklyn Law School.

Pam Spackman, Toronto, Ontario, Canada. Ms. Spackman is currently the Chair of the Mortgage Advisory Committee for Timbercreek Mortgage Strategies Inc., an entity that reviews and approves or declines mortgage loans proposed to be funded by Timbercreek Mortgage Investment Corporation (TSX: TMC), Timbercreek Senior Mortgage Investment Corporation (TSX: MTG) or Timbercreek Global Real Estate Fund (TSX: TGF.UN). Ms. Spackman is also a Member of the Advisory Committee of Crestpoint Real Estate Investments Ltd., a part of the Connor, Clark and Lunn group of companies, which owns a portfolio of commercial properties on behalf of its limited partnership investors. She has served on the Board of Directors of Gazit America Inc. (TSX: GAA), a company focused on entrepreneurial real estate opportunities, and acted as President and Chief Executive Officer of Column Canada Financial Corporation, a wholly owned subsidiary of Credit Suisse, Vice-President Mortgage Investment for the Ministry of Finance, Province of British Columbia and Investment Manager for the Workers' Compensation Board, Investment Fund, Ontario. Ms. Spackman acquired the ICD.D designation following completion of the Institute of Corporate Directors programme at the University of Toronto.

Gary Samuel, Toronto, Ontario, Canada. Mr. Samuel is currently President of Perek Bet Inc., a real estate investment firm. Mr. Samuel is a co-founder and retired partner of Crown Realty Partners, a Canadian institutional real estate investment and management corporation. Mr. Samuel was co-founder and Chief Executive Officer of Royop Properties Corporation, a Canadian real estate development company formerly listed on the TSX. He also founded and was the former Chief Executive Officer of Canadian Real Estate Investment Trust (TSX: REF.UN), a real estate investment trust. Mr. Samuel currently serves as Chairman of HOMEQ Corporation (TSX: HEQ) and its wholly owned subsidiary HomEquity Bank, a Canadian chartered bank. He was also formerly a Director of First Capital Realty Corporation (TSX: FCR) and lead director of Gazit America Inc. (TSX: GAA), both real estate companies. Mr. Samuel holds a JD from Osgoode Hall Law School, Toronto.

Ian MacKellar, Toronto, Ontario, Canada. Mr. MacKellar currently serves on the Board of Trustees of Alosinac Trust which oversees Rodenbury Investments Ltd., an owner of industrial real estate properties. Mr. MacKellar also serves on the Board of Directors of Build Toronto Inc., a real estate and development corporation owned by the City of Toronto. He recently served as a Financial Advisor to the Audit and Risk Management Committee of Build Toronto Inc. Mr. MacKellar also serves on the Finance Committee of Rosedale Golf Club. Mr. MacKellar previously held the positions of Executive Vice-President and Chief Financial Officer and Senior Vice-President Finance and Controller of Cadillac Fairview Corporation, an investor, owner and manager of commercial real estate. He was also formerly a Partner at KPMG Chartered Accountants, professional services firm that provides audit, tax, and advisory services. Mr. MacKellar is a Chartered Accountant and member of the Institute of Chartered Accountants of Ontario. Mr. MacKellar received a BA (Economics) from the University of Western Ontario.

Georges Dubé, Toronto, Ontario, Canada. Effective November 1, 2012, Mr. Dubé is a Partner at Bennett Jones LLP, a Canadian-based business law firm. From March 2003 to November 1, 2012 Mr. Dubé practiced law at another large Canadian-based business law and litigation firm. Mr. Dubé is a transactional corporate securities lawyer with 18 years of experience. He was listed in 2012 by Lexpert as a leading Corporate Finance and Securities lawyer in Canada. Mr. Dubé is a board member of the Shaw Festival Boxing annual fundraising event. He also served from 2010 to 2012 on the Securities Advisory Committee of the Ontario Securities Commission. Mr. Dubé received a Bachelor of Science in Foreign Service from Georgetown University and an LLB from the Faculty of Law of McGill University.

Immediately after Closing, the Trustees and executive officers of the REIT, as a group, will beneficially own, directly or indirectly, or exercise control or direction over 52,500 Trust Units, representing approximately 0.6% of the Trust Units and Class B LP Units outstanding at that time.

Committees of the Board of Trustees

The Board will establish three committees: the Audit Committee, the Compensation, Governance and Nominating Committee and the Investment Committee. All members of the Audit Committee and Compensation, Governance and Nominating Committee will be persons determined by the REIT to be Independent Trustees, except for temporary periods where a sufficient number of Independent Trustees are not available to form the committee and then only until such time as a new Independent Trustee is appointed. The Investment Committee will be comprised of two persons determined by the REIT to be Independent Trustees and the Chairman.

Audit Committee

The audit committee of the REIT (the "Audit Committee") will consist of at least three Trustees, all of whom will be persons determined by the REIT to be Independent Trustees that are "financially literate" and "independent" for purposes of audit committee membership within the meaning of National Instrument 52-110 — *Audit Committees*. Immediately after Closing, the Audit Committee will be composed of Ian MacKellar, who will act as chair of this committee, Gary Samuel and Pam Spackman, all of whom have been determined to be independent. Each of the Audit Committee members has an understanding of the accounting principles used to prepare the REIT's financial statements, experience preparing, auditing, analyzing or evaluating comparable financial statements and experience as to the general application of relevant accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For the education and experience of each member of the Audit Committee relevant to the performance of his or her duties as a member of the Audit Committee, see "Trustees and Executive Officers of the REIT — Governance and Board of Trustees".

The following is a brief summary of the education or experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as a member of the Audit Committee, including any education or experience that has provided the member with an understanding of the accounting principles used by the REIT to prepare its financial statements.

Ian MacKellar (Chair) is a Chartered Accountant and a member of the Institute of Chartered Accountants of Ontario. Mr. MacKellar has over 30 years of extensive finance, administration and accounting experience, mainly in the real estate sector. He currently serves on the Board of Directors of Build Toronto Inc., where he provides support to the chair of the Build Toronto Inc. Audit and Risk Management Committee, and input on their annual financial plan and financial strategies. He recently served as a Financial Advisor to the Audit and Risk Management Committee of Build Toronto Inc., Executive Vice-President and Chief Financial Officer and Senior Vice-President Finance and Controller of Cadillac Fairview Corporation and was also formerly a Partner at KPMG Chartered Accountants.

Gary Samuel is Chairman of HOMEQ Corporation (TSX: HEQ) and its wholly owned subsidiary HomEquity Bank, a Canadian chartered bank, and President of Perek Bet Inc., a real estate investment firm. Mr. Samuel has previously served on the audit committees of HOMEQ Corporation and First Capital Realty Inc. Mr. Samuel has extensive management and financial experience and has been instrumental in founding and managing several real estate focused entities, including Crown Realty Partners, a Canadian institutional real estate investment and management corporation, Royop Properties Corporation, a Canadian real estate development company formerly listed on the TSX, and Canadian Real Estate Investment Trust (TSX: REF.UN), a real estate investment trust.

Pam Spackman has worked for a number of years in commercial credit and investment management. Currently, Ms. Spackman is the Chair of the Mortgage Advisory Committee for Timbercreek Mortgage Strategies Inc., an entity that reviews and approves or declines mortgage loans proposed to be funded by Timbercreek Mortgage Investment Corporation (TSX: TMC), Timbercreek Senior Mortgage Investment Corporation (TSX: MTG) or Timbercreek Global Real Estate Fund (TSX: TGF.UN), and is also a Member of Advisory Committee of Crestpoint Real Estate Investments Ltd., where she provides quarterly reviews of internal valuations of owned properties. Ms. Spackman also served as a member of the Audit Committee for Gazit America Inc. and as Vice-President Mortgage Investments at the Ministry of Finance for the Province of British Columbia.

It is expected that the Audit Committee's responsibilities will include: (i) reviewing the REIT's procedures for internal control with the REIT's auditors and CFO; (ii) reviewing and approving the engagement of the auditors; (iii) reviewing annual and quarterly financial statements and all other material continuous disclosure documents, including the REIT's annual information form and management's discussion and analysis; (iv) assessing the REIT's financial and accounting personnel; (v) assessing the REIT's accounting policies; (vi) reviewing the REIT's risk management procedures; and (vii) reviewing any significant transactions outside the REIT's ordinary course of business and any pending litigation involving the REIT.

The Audit Committee will have direct communication channels with the CFO of the REIT and the external auditors of the REIT to discuss and review such issues as the Audit Committee may deem appropriate.

The Board will adopt a written charter for the Audit Committee, which sets out the Audit Committee's responsibility in reviewing the financial statements of the REIT and public disclosure documents containing financial information and reporting on such review to the Board, review of the REIT's public disclosure documents that contain financial information, oversight of the work and review of the independence of the external auditors and reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management.

Compensation, Governance and Nominating Committee

The compensation, governance and nominating committee of the REIT (the "Compensation, Governance and Nominating Committee") will be comprised of at least three Trustees, all of whom will be persons determined by the REIT to be Independent Trustees, and will be charged with reviewing, overseeing and evaluating the compensation, governance and nominating policies of the REIT. Immediately after Closing, the Compensation, Governance and Nominating Committee will be composed of Pam Spackman, who will act as chair of this committee, George Dubé and Gary Samuel, all of whom have been determined by the REIT to be independent.

The Board will adopt a written charter for the Compensation, Governance and Nominating Committee setting out its responsibilities for: (i) assessing the effectiveness of the Board of Trustees, each of its committees and individual Trustees; (ii) overseeing the recruitment and selection of candidates as Trustees of the REIT; (iii) organizing an orientation and education program for new Trustees; (iv) considering and approving proposals by the Trustees to engage outside advisers on behalf of the Board as a whole or on behalf of the Independent Trustees; (v) reviewing and making recommendations to the Board concerning any change in the number of Trustees composing the Board; (vi) considering questions of management succession; (vii) administering any unit option or purchase plan of the REIT, and any other compensation incentive programs; (viii) assessing the performance of management of the REIT; (ix) reviewing and approving the compensation of executive management to the extent the senior officers are employed directly by the REIT; (x) reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to Trustees; and (xi) overseeing the Management Agreement.

Investment Committee

The investment committee of the REIT (the "Investment Committee") will be comprised of at least three Trustees, consisting of two persons determined by the REIT to be Independent Trustees and the Chairman. Immediately after Closing, the Investment Committee will be composed of Zachary George, who will act as chair, Gary Samuel and Ian MacKellar. Gary Samuel and Ian MacKellar have been determined by the REIT to be independent.

The Investment Committee will meet on an "as needed" basis and have the authority to exercise all of the powers and discretions in the management and direction of the REIT's activities delegated to it by the Board in accordance with its mandate and applicable law, including to: (i) approve or reject proposed investments by the REIT in accordance with the REIT's investment guidelines, in each case, of up to $30 million (by way of debt or equity); (ii) approve the assumption or granting of any mortgage, or the assumption or incurrence of any debt obligation, of up to $30 million (or such other amount provided the terms thereof have been reflected in the REIT's operating budget approved by the Board for the applicable year); and (iii) develop the REIT's strategy for review and approval by the Board. Although the Investment Committee has been delegated authority in respect of many aspects of the REIT's business, in accordance with the mandate of the Board, all material investments and transactions outside the REIT's ordinary course of business must be reviewed by, and are subject to the prior approval of, the REIT's Board of Trustees.

Remuneration of Trustees

Each Trustee who is not also a member of management of the REIT will receive from the REIT an annual retainer initially in the amount of $25,000 per year, plus a fee of $1,000 for each day on which the Trustee attends a Board meeting either in person or by telephone. Members of each committee of the Board will receive an annual retainer of $5,000 per year. The chair of each committee of the Board will each receive an additional annual retainer of $5,000. Each Trustee will also be reimbursed for reasonable travel and other expenses properly incurred by him or her in attending meetings of the Board or any committee meeting.

Independent Trustee Matters

In addition to requiring the approval of a majority of the Trustees, the following matters will require the approval of at least a majority of the Trustees who have no interest in the matter to become effective:

(a) making any material change to the Management Agreement, the Acquisition Agreement or the ROFO Agreement (including any termination of such agreements);

(b) entering into any agreement or transaction in which any Related Party has a material interest or making a material change to any such agreement or transaction;

(c) approving or enforcing any agreement entered into by the REIT with a Related Party;

(d) permitting any of the REIT's Subsidiaries to acquire any real or other property in which a Related Party has an interest or to sell any interest in any real or other property to a Related Party; and

(e) making or prosecuting any claim by or against any Related Party.

Conflicts of Interest

The Declaration of Trust contains "conflict of interest" provisions to protect Unitholders without creating undue limitations on the REIT. As the Trustees will be engaged in a wide range of real estate and other activities, the Declaration of Trust contains provisions, similar to those contained in the CBCA, that will require each Trustee to disclose to the REIT, at the first meeting of Trustees at which a proposed contract or transaction is considered, any interest in a material contract or transaction or proposed material contract or transaction with the REIT (including a contract or transaction involving the making or disposition of any investment in real property or a joint venture agreement) or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with the REIT. If a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the Trustees, a Trustee will be required to disclose in writing to the REIT, or request to have entered into the minutes of meetings of Trustees, the nature and extent of his or her interest forthwith after the Trustee becomes aware of the contract or transaction or proposed contract or transaction. In any case, a Trustee who has made disclosure to the foregoing effect will not be entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction relates to his or her remuneration or an indemnity under the provisions of the Declaration of Trust or liability insurance. All decisions of the Board of Trustees will require the approval of a majority of the Trustees present in person or by phone at a meeting of the Board. See "Risk Factors" for a discussion of the risks of potential conflicts of interest.

As it is contemplated that the Chairman of the Board will initially be Zachary George, who is not an Independent Trustee, the Board of Trustees has selected Gary Samuel to act as lead independent Trustee following Closing in order to ensure appropriate leadership for the Independent Trustees. It is contemplated that the primary responsibilities of the lead independent Trustee will be to: (i) ensure that appropriate structures and procedures are in place so that the Board may function independently of management of the REIT; and (ii) lead the process by which the Independent Trustees seek to ensure that the Board represents and protects the interests of all Unitholders.

Executive Officers

On December 3, 2012, Shant Poladian was appointed full-time Chief Executive Officer of the REIT. Prior to this, Zachary George acted as Interim Chief Executive Officer of the REIT. Mr. George resigned as Interim Chief Executive Officer of the REIT in connection with the appointment of Mr. Poladian as full-time Chief Executive Officer.

The following table sets forth the name, municipality, province and country of residence and positions held with the REIT of each executive officer of the REIT:

Name and Municipality of Residence	Office with the REIT
SHANT POLADIAN Toronto, Ontario, Canada	Chief Executive Officer
SANDEEP MANAK Burnaby, British Columbia, Canada	Chief Financial Officer and Corporate Secretary

Additional biographical information regarding Mr. Poladian and Mr. Manak, including a description of each of their principal occupations within the past five years is provided below:

Shant Poladian, Toronto, Ontario, Canada. On December 3, 2012 Shant Poladian was appointed as Chief Executive Officer of the REIT. Previously he was an Equity Research Analyst, and Managing Director, covering real estate equity securities and REITs at Canaccord Genuity Corp, where he was employed from 2003 to 2012. Previously, Mr. Poladian worked at BMO Nesbitt Burns as an integral member of a top ranked equity research team covering real estate equity securities and REITs from 2001 to 2003. Mr. Poladian earned his Chartered Accountant (Ontario) designation in 2001, following three years of employment at Deloitte & Touche LLP providing Assurance and Advisory services. He also earned his Certified Public Accountant designation in the state of Delaware. Mr. Poladian has a Bachelor of Commerce from the University of Toronto.

Sandeep Manak, Burnaby, British Columbia, Canada. Sandeep Manak is the Chief Financial Officer and Corporate Secretary of the REIT and Huntingdon. Mr. Manak joined IAT Air Cargo Facilities Income Fund as CFO in 2009 and managed the merger and subsequent internalization of management with Huntingdon Real Estate Investment Trust (now Huntingdon Capital Corp.). Previously, Mr. Manak worked with HSBC in London, United Kingdom in real estate and infrastructure fund management. Mr. Manak is a Chartered Accountant and qualified with PricewaterhouseCoopers LLP in 2001. Mr. Manak has a Bachelor of Business Administration from Simon Fraser University.

Trustees' and Officers' Liability Insurance

The REIT intends to carry trustees' and officers' liability insurance. Under this insurance coverage, the REIT will be reimbursed for insured claims where payments have been made under indemnity provisions on behalf of its Trustees and officers contained in the Declaration of Trust, subject to a deductible for each loss, which will be paid by the REIT. Individual Trustees and officers will also be reimbursed for insured claims arising during the performance of their duties for which they are not indemnified by the REIT. Excluded from insurance coverage are illegal acts, acts which result in personal profit and certain other acts. The Declaration of Trust provides for the indemnification in certain circumstances of Trustees and officers from and against liability and costs in respect of any action or suit against them in respect of the execution of their duties of office. In addition, the REIT will enter into indemnity agreements with each of its Trustees and officers.

EXECUTIVE COMPENSATION

Overview

The REIT's senior management team will consist of individuals employed by Huntingdon. Huntingdon will provide the Management Services pursuant to the Management Agreement, for which the REIT will pay certain fees. See "Management of the REIT – Management Agreement".

The REIT will not have any employment agreements with members of senior management and will not pay any cash compensation to any individuals serving as the REIT's officers, directly or indirectly. Rather, those individuals will be compensated by Huntingdon. A portion of the compensation paid to certain employees of Huntingdon will be attributable to time spent on the REIT's activities.

The REIT's officers named in the "Summary Compensation Table" below are employees of Huntingdon. These officers are referred to herein as the "named executive officers".

The board of directors of Huntingdon (the "Huntingdon Board") will have sole responsibility for determining the compensation of the named executive officers.

Compensation Discussion and Analysis

As the REIT's senior management team will be employed by Huntingdon, the REIT will only be obligated to pay a fixed amount to Huntingdon pursuant to the Management Agreement. Any variability in compensation to be paid by Huntingdon to the named executive officers will not impact the REIT's financial obligations.

The following discussion is intended to describe the portion of the compensation of the named executive officers that is attributable to time spent on the REIT's activities, and supplements the more detailed information concerning executive compensation that appears in the tables and the accompanying narrative that follow.

Principal Elements of Compensation

The compensation of the named executive officers will include three major elements: (a) base compensation, (b) an annual incentive bonus, and (c) long-term incentive plan in the form of Deferred Share awards, as described below.

Base Compensation

Base compensation remunerates management for discharging job requirements. The base salaries of named executive officers will be reviewed by the compensation committee (the "Huntingdon Compensation Committee") of the Huntingdon Board annually with the goal of ensuring that each named executive officer is paid fairly, taking into consideration the requirements of the position, the executive's performance, skills, knowledge, experience and equity with other named executive officers and compared to executives in similar roles in comparable entities. The Huntingdon Compensation Committee considers comparable entities adjusted as appropriate to reflect differences in total assets, annual revenues, number of employees and market capitalization.

Annual Incentive Bonus

In addition to base compensation, named executive officers are eligible for additional annual compensation based on a combination of individual and corporate (Huntingdon and REIT) performance against pre-set goals and targets as will be determined by the Huntingdon Board from time to time. Each named executive officer will be entitled to an annual incentive bonus equal to up to a range of 20% to 50% of their base salary (the "Target Bonus"). The awarding of the Target Bonus is measured against the achievement of annual financial and operational targets of Huntingdon and the REIT set by the Huntingdon Board from time to time and the named executive officer's individual performance. The annual incentive bonus, if any, will be paid in cash, provided that a participant may elect to receive 100% of the annual incentive bonus in Deferred Shares in accordance with the Huntingdon's deferred share plan (formerly the deferred unit plan of Huntingdon Real Estate Investment Trust dated

June 18, 2008, the obligations under which were assumed by Huntingdon in connection with its corporate conversion (the “Deferred Share Plan”)).

For 2013, the Huntingdon Compensation Committee will set financial and operational targets for the annual incentive bonus. These financial targets include achievement of certain financial measures including cash flow from operations, FFO and AFFO. The operational targets include achievement of certain operational measures including occupancy, lease rate growth and operating cost recovery rates. The Huntingdon Compensation Committee can exercise discretion to increase or decrease performance-based compensation under the annual incentive bonus.

Long-Term Incentive Plan in the form of Deferred Share Awards and Deferred Unit Awards

Huntingdon believes that equity based awards allow it to retain employees and reward management for their sustained contributions to Huntingdon. The Huntingdon Board believes the Deferred Share Plan, as described in greater detail below, provides named executive officers with a strong link to long-term performance and the creation of shareholder/unitholder value.

On or prior to Closing, Huntingdon will issue the Chief Executive Officer an initial grant of $2.0 million (face value) in deferred equity compensation consisting of (i) $1.5 million (face value) in Deferred Shares pursuant to Huntingdon’s Deferred Share Plan, and (ii) $500,000 (face value) in deferred units (“Deferred Units”). Each Deferred Unit will be exchangeable for a Trust Unit of the REIT forming part of Huntingdon’s retained interest in the REIT and will be issued at a price of $10.00. The pricing of the Deferred Shares will be determined at the time of their issuance and prior to Closing. Deferred Shares issued to the Chief Executive Officer will be subject to performance based vesting conditions whereby $150,000 initial value of Deferred Shares and $50,000 initial value of Deferred Units will vest for each $65 million of acquisitions completed by the REIT, excluding acquisitions from Huntingdon. The Deferred Units will have substantially similar terms to those of the Deferred Shares as set out in the Deferred Share Plan. Huntingdon has chosen to initially issue Mr. Poladian equity-based compensation in the form of a combination of Deferred Shares of Huntingdon and Deferred Units of the REIT that will be issued from Huntingdon’s retained interest in the REIT in order to avoid dilution of the REIT’s equity during the first year following the Offering. In addition, as Mr. Poladian is an employee of Huntingdon, issuing Mr. Poladian equity based incentives from Huntingdon rather than the REIT avoids the REIT initially paying both management fees to Huntingdon and compensation directly to Mr. Poladian. It is the Board's intention in the future to consider the extent to which long term incentives of the REIT will be issued to the REIT’s senior officers. See “Executive Compensation – Summary Compensation Table”.

To further provide the Chief Executive Officer with a strong link to the long-term performance and the creation of unitholder value, Mr. Poladian, on Closing, will acquire $100,000 (face value, with units priced at Closing) of Trust Units pursuant to the Offering and, subject to certain conditions, has committed to purchase an additional $400,000 (face value) of Trust Units over the three year period following Closing.

Compensation-Related Risk

The Huntingdon Board and, as applicable, the Huntingdon Compensation Committee, considers and assesses, as necessary, risks relating to compensation prior to entering into or amending employment contracts with named executive officers. The Huntingdon Board and the Huntingdon Compensation Committee believe that Huntingdon’s compensation policies and practices are appropriate for its industry and stage of business and that such policies and practices do not have associated with them any risks that are reasonably likely to have a material adverse effect on Huntingdon, the REIT or which would encourage a named executive officer to take any inappropriate or excessive risks. The Huntingdon Compensation Committee will continue to review Huntingdon’s compensation policies, including its compensation-related risk profile, as necessary, to ensure its compensation policies and practices are not reasonably likely to have a material adverse effect on Huntingdon, the REIT or encourage a named executive officer to take any inappropriate or excessive risks.

Financial Instruments

Huntingdon’s compensation program does not provide for the purchase by a named executive officer of financial instruments, such as prepaid variable forward contracts, “equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by a named executive officer.

Summary Compensation Table

The following table provides a summary of the significant elements of compensation anticipated to be paid to each of the named executive officers following Closing:

Name	Year	Salary	Annual Bonus	Award Under Deferred Share Plan	All Other Compensation	Total Compensation
Shant Poladian Chief Executive Officer	2013	$200,000	$100,000[(1)]	--[(2)]	N/A	$300,000
Sandeep Manak Chief Financial Officer	2013	$125,000	$31,250	N/A	N/A	$156,250

Notes:

(1) The Chief Executive Officer will be eligible for an annual bonus of up to 50% of base salary.

(2) The Chief Executive Officer will receive an initial grant of $2.0 million (face value) in deferred equity compensation consisting of (i) $1.5 million (face value) in Deferred Shares pursuant to Huntingdon's Deferred Share Plan, and (ii) $500,000 (face value) in Deferred Units. Deferred Shares and Deferred Units issued to the Chief Executive Officer will be subject to performance based vesting conditions whereby $150,000 initial value of Deferred Shares and $50,000 initial value of Deferred Units will vest for each $65 million of acquisitions completed by the REIT, excluding acquisitions from Huntingdon.

Deferred Share Plan

The following is a summary of the material terms of the Deferred Share Plan. The Deferred Units will have substantially the same terms to those of the Deferred Shares.

Eligible Persons

The purpose of the Deferred Share Plan is to promote a greater alignment of interests between the directors, officers and employees of Huntingdon and/or its affiliates and employees of a consultant of Huntingdon and/or its affiliates (each an "Eligible Person"). Eligible Persons may be selected from time to time to participate in the Deferred Share Plan at the discretion of the Huntingdon Compensation Committee (selected persons being "Participants" in the Deferred Share Plan) and granted such number of deferred shares ("Deferred Shares") of Huntingdon from time to time as the Huntingdon Board deems appropriate. Deferred Shares are not Huntingdon Shares and do not entitle a Participant to any rights as a shareholder of Huntingdon, including, without limitation, voting rights, distribution entitlements (other than as set out in the Deferred Share Plan and described below) or rights on liquidation. One Deferred Share is equivalent to one common share of Huntingdon ("Huntingdon Shares").

Election by Eligible Persons

At the discretion of the Huntingdon Board, a grant of Deferred Shares may be made to any Eligible Person at any time in any year. In addition, each Eligible Person who is entitled to receive an annual bonus, an annual board retainer or board meeting fees is given, subject to the conditions stated in the Deferred Share Plan, the right to elect to be a Participant of the Deferred Share Plan. Eligible Persons who elect to be Participants shall be paid 100% of their annual bonus, annual board retainer or board meeting fees (the "Elected Amount"), as applicable, in the form of Deferred Shares, in lieu of cash. If permitted under the terms of the compensation granted to the Eligible Person, each Eligible Person participating in the Deferred Share Plan is entitled once per calendar year to terminate his or her participation in the Deferred Share Plan by filing with the CFO of Huntingdon a notice electing to terminate the receipt of additional Deferred Shares.

Any Deferred Shares granted under the Deferred Share Plan prior to the election to terminate shall remain in the Deferred Share Plan and will be redeemable only in accordance with the terms of the Deferred Share Plan.

Number of Shares Reserved for Issuance

The aggregate number of Huntingdon Shares authorized for issuance upon the redemption of all Deferred Shares granted under the Deferred Share Plan, subject to any adjustment of such number pursuant to the provisions of the Deferred Share Plan, together with Huntingdon Shares authorized for issuance under any other security-based compensation plan of Huntingdon, shall not exceed 5% of the issued and outstanding Huntingdon Shares from time to time, subject to approval, if required, by any relevant stock exchange or other regulatory authority; provided, however, that the number of Huntingdon Shares issued to insiders of Huntingdon pursuant to outstanding Deferred Shares together with the number of Huntingdon Shares issued to such persons pursuant to any other compensation arrangements, within any one year period, shall not exceed 5% of the then outstanding Huntingdon Shares.

Vesting of Deferred Shares

Subject to the Huntingdon Board's discretion to vary the manner in which Deferred Shares vest for any Participant, Deferred Shares, if any, shall be granted by the Huntingdon Compensation Committee at any time, or at such times, in any year as the Huntingdon Board determines in its discretion. Subject to the exceptions noted below, Deferred Shares granted pursuant to the Deferred Share Plan: (i) to directors shall vest immediately; and (ii) to Participants other than directors shall vest equally over a three-year vesting period; provided, however, that in the event of any "Change of Control" (as defined in the Deferred Share Plan), any unvested Deferred Share shall vest upon the earlier of (i) the next applicable vesting date determined in accordance with the above provisions, and (ii) the date which is immediately prior to the date upon which the Change of Control is completed.

The Deferred Shares credited to a Participant's Deferred Unit Account (as described below) (including any unvested Deferred Shares) shall vest immediately and be redeemable by the Participant (or, where the Participant has died, his or her estate) following an event, including termination other than for cause, retirement or death, causing the Participant to no longer be an Eligible Person (the "Termination Date"). In the event that a Participant is terminated for cause, only the Deferred Shares which have vested shall be redeemable and any unvested Deferred Shares shall be cancelled.

Notwithstanding the foregoing or anything else herein contained, the Huntingdon Board shall have the discretion to vary the manner in which Deferred Shares vest for any Participant.

Deferred Shares and Deferred Share Accounts

The number of Deferred Shares (including fractional Deferred Shares) granted at any particular time pursuant to the Deferred Share Plan will be, in the case of elections made by a Participant (if applicable), calculated by dividing (i) the Elected Amount of the Participant by (ii) the Market Value of a Huntingdon Share on the date that the Deferred Shares are awarded.

For the purposes of the Deferred Share Plan, "Market Value" in respect of shares means the volume weighted average price of all Huntingdon Shares traded on the TSX for the 10 trading days immediately preceding the date on which the Market Value of Huntingdon Shares is determined (or, if such Huntingdon Shares are not listed and posted for trading on the TSX, on such stock exchange on which such Huntingdon Shares are listed and posted for trading as may be selected for such purpose by the directors of Huntingdon). In the event that such Huntingdon Shares are not listed and posted for trading on any stock exchange, the Market Value shall be the fair market value of such Huntingdon Shares as determined by the Huntingdon Compensation Committee in its sole discretion.

An account, to be known as a "Deferred Share Account," shall be maintained by Huntingdon for each Participant and will be credited with notional grants of Deferred Shares received by a Participant from time to time.

Whenever cash distributions are paid on the Huntingdon Shares, additional Deferred Shares will be credited to the Participant's Deferred Share Account. The number of such additional Deferred Shares shall be calculated by dividing:

(a) the amount determined by multiplying:

(i) the number of Deferred Shares in such Participant's Deferred Share Account on the record date for the payment of such distribution; by

(ii) the distribution paid per Huntingdon Share;

by

(b) the Market Value of a Huntingdon Share on the distribution payment date for such distribution,

in each case, with fractions computed to two decimal places. Such additional Deferred Shares shall vest at the same time and on the same basis as the Deferred Shares in respect of which they are credited.

Redemption of Deferred Shares

Subject to the approval of the Huntingdon Compensation Committee, the Deferred Shares credited to a Participant's Deferred Share Account that have vested may be redeemable in whole or in part on the date on which the Participant files a written notice of redemption with the CFO of Huntingdon (the "Deferred Share Redemption Date").

Subject to: (i) the provisions of the Deferred Share Plan; and (ii) the receipt by CDS of the Participant's brokerage account information from his or her securities broker, the Participant shall receive, within 10 business days after the Termination Date or Redemption Date, as applicable, a whole number of Huntingdon Shares from Huntingdon equal to the whole number of Deferred Shares then recorded in the Participant's Deferred Share Account, net of any applicable withholding taxes.

Huntingdon shall also make a cash payment, net of any applicable withholding taxes, to the Participant with respect to the value of fractional Deferred Shares standing to the Participant's credit after the maximum number of whole Huntingdon Shares have been issued by Huntingdon, calculated by multiplying: (i) the number of such fractional Deferred Shares; by (ii) the Market Value of such fractional Deferred Shares on the Termination Date or Redemption Date, as applicable.

Upon payment in full of the value of the Deferred Shares, the Deferred Shares shall be cancelled.

Amendment, Suspension or Termination

The Huntingdon Board may from time to time amend or suspend the Deferred Share Plan in whole or in part, without the approval of Huntingdon shareholders, and may at any time terminate the Deferred Share Plan without prior notice, as it deems appropriate; provided, however, that any amendment to the Deferred Share Plan that would: (a) result in any increase in the number of Deferred Shares issuable under the Deferred Share Plan; (b) permit Deferred Shares granted under the Deferred Share Plan to be transferable or assignable other than as set forth in the Deferred Share Plan; or (c) result in any modification to sections Section 3.04 or Section 10.01 of the Deferred Share Plan, shall require approval by a majority of the votes cast by shareholders of Huntingdon at a meeting called for that purpose. Without limiting the generality of the foregoing, the Huntingdon Board may, without obtaining the approval of shareholders of Huntingdon, make changes: (a) to correct errors, immaterial inconsistencies or ambiguities in the text of the Deferred Share Plan; (b) necessary or desirable to comply with applicable laws or regulatory requirements, rules or policies (including stock exchange requirements and policies); and (c) to the vesting provisions applicable to Deferred Shares issued under the Deferred Share Plan.

Assignment of Deferred Share

In no event may the rights or interests of a Participant under the Deferred Share Plan be assigned, encumbered, pledged, transferred or alienated in any way, except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or by the laws of succession and distribution.

INVESTMENT GUIDELINES AND OPERATING POLICIES

Investment Guidelines

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

(a) the REIT may only invest, directly or indirectly, in interests (including fee ownership and leasehold interests) in income-producing commercial real estate located in Canada and the U.S. and assets ancillary thereto necessary for the operation of such real estate and such other activities as are consistent with the other investment guidelines of the REIT;

(b) notwithstanding anything else contained in the Declaration of Trust, the REIT shall not make any investment, take any action or omit to take any action that would result in Trust Units not being units of a "mutual fund trust" within the meaning of the Tax Act or that would result in the Trust Units or Warrants not being qualified investments for Exempt Plans;

(c) the REIT shall not make or permit any of its Subsidiaries (including FAM LP) to make any investment that would result in: (i) the REIT or any of its Subsidiaries being liable to pay a tax imposed under either paragraph 122(1)(b) or subsection 197(2) of the Tax Act; or (ii) the REIT ceasing to qualify as a "real estate investment trust" for purposes of the Tax Act;

(d) the REIT shall not invest in any interest in a single real property if, after giving effect to the proposed investment, the cost to the REIT of such investment (net of the amount of debt incurred or assumed in connection with such investment) will exceed 20% of GBV at the time the investment is made;

(e) the REIT may, directly or indirectly, invest in a joint venture arrangement for the purposes of owning interests or investments otherwise permitted to be held by the REIT; provided that such joint venture arrangement contains terms and conditions which, in the opinion of management, are commercially reasonable, including without limitation such terms and conditions relating to restrictions on the transfer, acquisition and sale of the REIT's and any joint venturer's interest in the joint venture arrangement, provisions to provide liquidity to the REIT, provisions to limit the liability of the REIT and its Unitholders to third parties, and provisions to provide for the participation of the REIT in the management of the joint venture arrangement. Notwithstanding the foregoing, the REIT's indirect investment in the property located at 220 Portage Avenue is permitted and the REIT may from time to time enter into any joint venture arrangement which does not comply with the foregoing guidelines if the Trustees determine that the investment is desirable for the REIT and is otherwise in compliance with the investment guidelines and operating policies established in accordance with Declaration of Trust and in effect at such time. For purposes hereof, a joint venture arrangement is an arrangement between the REIT and one or more other persons pursuant to which the REIT, directly or indirectly, conducts an undertaking for one or more of the purposes set out in the investment guidelines of the REIT and in respect of which the REIT may hold its interest jointly or in common or in another manner with others either directly or through the ownership of securities of a corporation or other entity;

(f) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada, short-term government debt securities or money market instruments maturing prior to one year from the date of issue and except as permitted pursuant to the investment guidelines and operating policies of the REIT, the REIT may not hold securities of a person other than to the extent such securities would constitute an investment in real property (as determined by the Trustees) and provided further that, notwithstanding anything contained in the Declaration of Trust to the contrary, but in all events subject to paragraph (b) above, the REIT may acquire securities of other real estate investment trusts;

(g) the REIT shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;

(h) the REIT shall not invest, directly or indirectly, in operating businesses unless such investment is an indirect investment and is incidental to a transaction:

  (i) where revenue will be derived, directly or indirectly, principally from real property; or

  (ii) which principally involves the ownership, maintenance, development, improvement, leasing or management, directly or indirectly, of real property (in each case as determined by the Trustees);

(i) the REIT shall not invest in raw land for development, except (i) for existing properties with additional development or properties adjacent to existing properties of the REIT for the purpose of the renovation or expansion of existing properties, or (ii) the development of new properties which will be capital property of the REIT, provided that the aggregate value of the investments of the REIT in raw land, excluding raw land under development, after giving effect to the proposed investment, will not exceed 5% of GBV;

(j) the REIT may invest in mortgages and mortgage bonds (including participating or convertible mortgages) and similar instruments where:

  (i) it intends to use the acquisition of the mortgages as a method of acquiring, directly or indirectly, an income-producing real property which would otherwise meet the investment guidelines of the REIT; or

  (ii) the real property which is security therefor is income-producing real property which otherwise meets the other investment guidelines of the REIT, the loan is not in excess of 75% of the market value of the property securing the mortgage and the aggregate book value of the investments of the REIT in mortgages, after giving effect to the proposed investment, will not exceed 15% of GBV; and

The REIT may also invest in mortgages where the (i) mortgage is a vendor take-back mortgage granted to the REIT in connection with the sale by the REIT of an existing property and as a means of financing the purchaser's acquisition of such property from the REIT, (ii) mortgage is interest bearing, (iii) mortgage is registered on title to the real property which is security therefor, (iv) mortgage has maturity not exceeding five years, (v) amount of mortgage loan is not in excess of 85% of the selling price of the property securing the mortgage, and (vi) aggregate value of these mortgages, after giving effect to the proposed investment, will not exceed 15% of GBV of the REIT calculated at the time of such investment.

(k) the REIT may invest an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any debt incurred or assumed in connection with such investment) up to 15% of the GBV of the REIT in investments which do not comply with one or more of paragraphs (a), (f), (h) and (i).

Operating Policies

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

(a) the REIT shall not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for the purposes hereof, the term "hedging" has the meaning ascribed thereto by National Instrument 81-102 – *Mutual Funds* adopted by the Canadian Securities Administrators, as replaced or amended from time to time;

(b) (i) any written instrument creating an obligation which is or includes the granting by the REIT of a mortgage; and

(ii) to the extent practicable any written instrument which creates a material obligation upon the REIT,

shall contain a provision, or be subject to an acknowledgement to the effect, that the obligation being created is not personally binding upon, and that resort must not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise the private property of any of the Trustees, Unitholders, annuitants or beneficiaries under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of the REIT, but that only property of the REIT or a specific portion thereof is bound; the REIT, however, is not required, but must use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the REIT upon the acquisition of real property;

(c) the REIT shall not lease or sublease to any tenant that is not an Institutional Tenant any real property, premises or space where that person and its affiliates would, after the contemplated lease or sublease, be leasing or subleasing real property, premises or space having a fair market value net of encumbrances in excess of 20% of Adjusted Unitholders Equity;

(d) the REIT may engage in construction or development of real property: (i) to maintain its real properties in good repair or to improve the income-producing potential of properties in which the REIT has an interest; and (ii) to develop new properties that will be capital properties of the REIT on completion, provided that the aggregate value of the investments of the REIT in properties under development after giving effect to the proposed investment in the construction or development, will not exceed 15% of GBV;

(e) title to each real property shall be held by and registered in the name of the REIT, the Trustees or a corporation or other entity owned in whole or in part, directly or indirectly, by the REIT or jointly owned, directly or indirectly, by the REIT, with joint venturers;

(f) the REIT shall not incur or assume any indebtedness if, after giving effect to the incurrence or assumption of such indebtedness, the total indebtedness of the REIT would be more than 65% of GBV (including convertible debentures);

(g) the REIT shall not directly or indirectly guarantee any indebtedness or liabilities of any kind of a third party, except indebtedness or liabilities assumed or incurred by an entity in which the REIT holds an interest, directly or indirectly, or by an entity jointly owned by the REIT with joint venturers and operated solely for the purpose of holding a particular property or properties, where such indebtedness, if granted by the REIT directly, would cause the REIT to contravene its investment guidelines or operating policies. The REIT is not required but shall use its reasonable best efforts to comply with this requirement (i) in respect of obligations assumed by the REIT pursuant to the acquisition of real property; or (ii) if doing so is necessary or desirable in order to further the initiatives of the REIT permitted under the Declaration of Trust;

(h) the REIT shall directly or indirectly obtain and maintain at all times property insurance coverage in respect of potential liabilities of the REIT and the accidental loss of value of the assets of the REIT from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practice of owners of comparable properties;

(i) no acquisition shall be made by the REIT nor any development undertaken unless and until the officers of the REIT have prepared and presented to the Investment Committee or the Trustees a written report containing their recommendation that the REIT make the investment together with a financial analysis of the estimated cost and projected return from the investment and such supplementary information and data (including, without limitation, underlying assumptions, proposed financing arrangements, leasing and economic and market data) as is reasonably necessary to evaluate the investment decision; and

(j) the REIT shall obtain a Phase I environmental site assessment of each real property to be acquired by it and, if the Phase I environmental site assessment report recommends that a further environmental site assessment be conducted, the REIT shall have conducted such further environmental site assessments, in each case by an independent and experienced environmental consultant; as a condition to any acquisition such assessments shall be satisfactory to the Trustees.

For the purpose of the foregoing investment guidelines and operating policies, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by the REIT will be deemed to be those of the REIT on a proportionate consolidation basis. In addition, any references in the foregoing investment guidelines and operating policies to investment in real property will be deemed to include an investment in a joint venture arrangement that invests in real property.

Amendments to Investment Guidelines and Operating Policies

Pursuant to the Declaration of Trust, all of the investment guidelines set out under the heading “Investment Guidelines” and the operating policies contained in paragraphs (a), (b), (f), (g), (h) and (j), set out under the heading “Operating Policies” may be amended only with the approval of two-thirds of the votes cast by Unitholders of the REIT at a meeting of Unitholders called for such purpose. The remaining operating policies may be amended with the approval of a majority of the votes cast by Unitholders at a meeting called for such purpose.

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

DECLARATION OF TRUST

General

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

The Trust Units are not “deposits” within the meaning of the Canada Deposit Insurance Corporation Act (Canada) and are not insured under the provisions of such Act or any other legislation. The Trust Units are not shares in the REIT and, although the protections, rights and remedies set out in the Declaration of Trust are similar to those provided under the CBCA, Unitholders do not have statutory rights of shareholders of a corporation including, for example, “dissent rights” in respect of certain corporate transactions and fundamental changes, the right to apply to a court to order the liquidation or dissolution of the REIT, or the right to bring “oppression” or “derivative” actions. Furthermore, the REIT is not a trust company and accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Trust Units, Special Voting Units and Preferred Units

The REIT is authorized to issue an unlimited number of Trust Units and an unlimited number of Special Voting Units. Issued and outstanding Trust Units and Special Voting Units may be subdivided or consolidated from time to time by the Trustees without notice to or the approval of the Unitholders.

Trust Units

No Trust Unit will have any preference or priority over another. Each Trust Unit will represent a Unitholder's proportionate undivided beneficial ownership interest in the REIT and will confer the right to one vote at any meeting of Unitholders and to participate *pro rata* in any distributions by the REIT, whether of net income, net realized capital gains or other amounts and, in the event of termination or winding-up of the REIT, in the net assets of the REIT remaining after satisfaction of all liabilities. Trust Units will be fully paid and non-assessable when issued and are transferable. The Trust Units are redeemable at the holder's option, as described below under "Redemption Right" and, except as set out in "Retained Interest — Exchange Agreement", the Trust Units have no other conversion, retraction, redemption or pre-emptive rights. Fractional Units may be issued as a result of an act of the Trustees, but fractional Trust Units will not entitle the holders thereof to vote, except to the extent that such fractional Trust Units may represent in the aggregate one or more whole Trust Units.

Special Voting Units

Special Voting Units have no economic entitlement in the REIT but entitle the holder to one vote per Special Voting Unit at any meeting of the Unitholders of the REIT. Special Voting Units may only be issued in connection with or in relation to Class B LP Units for the purpose of providing voting rights with respect to the REIT to the holders of such securities. Notwithstanding the foregoing, the REIT is permitted to issue Special Voting Units to Huntingdon pursuant to the Acquisition Agreement absent a contemporaneous issuance of Class B LP Units to Huntingdon. Special Voting Units will be issued in conjunction with the Class B LP Units to which they relate, and will be evidenced only by the certificates representing such Class B LP Units. Special Voting Units will not be transferable separately from the Class B LP Units to which they are attached and will be automatically transferred upon the transfer of such Class B LP Units. Upon the exchange or surrender of a Class B LP Unit for a Trust Unit, the Special Voting Unit attached to such Class B LP Unit will automatically be redeemed and cancelled for no consideration without any further action of the Trustees, and the former holder of such Special Voting Unit will cease to have any rights with respect thereto. See "FAM LP — Partnership Units".

Preferred Units

Subject to the Board of Trustees executing an amendment to the Declaration of Trust providing for their creation, preferred units of the REIT (the "Preferred Units") may from time to time be created and issued in one or more classes (each of which may be comprised of unlimited series), and the Board of Trustees may fix from time to time before such issue the number of Preferred Units which is to comprise each class and series and the designation, rights, privileges, restrictions and conditions attaching to each class and series of Preferred Units including, without limiting the generality of the foregoing, any voting rights, the rate or amount of distributions (which may be cumulative or non-cumulative and variable or fixed) or the method of calculating distributions, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion, if any, any rights on the liquidation, dissolution or winding-up of the REIT, and any sinking fund or other provisions.

The Preferred Units of each class and series shall, with respect to the payment of distributions (other than distributions paid solely through the distribution of additional Trust Units) and the distribution of assets of the REIT or return of capital in the event of liquidation, dissolution or winding-up of the REIT, whether voluntary or involuntary, or any other return of capital or distribution of assets of the REIT among its Unitholders for the purpose of winding-up its affairs, be entitled to preference over the Trust Units ranking by their terms junior to the Preferred Units. The Preferred Units of any series may also be given such other preferences, not inconsistent with the Declaration of Trust, over the Trust Units ranking by their terms junior to the Preferred Units. If any cumulative distributions or amounts payable on the return of capital in respect of a series of Preferred Units are not paid in full, all classes and series of Preferred Units of equal ranking shall participate rateably in respect of accumulated distributions and return of capital, based on the accumulated distributions and return of capital of a class and series of Preferred Units as a proportion of the accumulated distributions and return of capital of all classes and series of Preferred Units of equal ranking.

The REIT has no present intention of issuing Preferred Units, but wishes to have the flexibility to do so in the future as a means of seeking an alternate source of equity financing. The REIT will not create or issue Preferred Units for anti-takeover purposes.

Meetings of Unitholders

The Declaration of Trust provides that meetings of Unitholders will be required to be called and held in various circumstances, including (i) for the election or removal of Trustees, (ii) the appointment or removal of the auditors of the REIT, (iii) the approval of amendments to the Declaration of Trust (except as described below under "Amendments to Declaration of Trust"), (iv) the sale or transfer of the assets of the REIT as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the REIT approved by the Trustees), (v) the termination of the REIT, and (vi) for the transaction of any other business as the Trustees may determine or as may be properly brought before the meeting. Meetings of Unitholders will be called and held annually, commencing in 2014, for the election of the Trustees and the appointment of the auditors of the REIT. All meetings of Unitholders must be held in Canada.

A meeting of Unitholders may be convened at any time and for any purpose by the Trustees and must be convened, except in certain circumstances, if requisitioned in writing by the holders of not less than 10% of the Voting Units then outstanding. A requisition must state in reasonable detail the business proposed to be transacted at the meeting. Unitholders have the right to obtain a list of Unitholders to the same extent and upon the same conditions as those which apply to shareholders of a corporation governed by the CBCA.

Unitholders may attend and vote at all meetings of Unitholders either in person or by proxy. Two persons present in person or represented by proxy, and such persons holding or representing by proxy not less in aggregate than 5% of the total number of outstanding Trust Units and Special Voting Units, will constitute a quorum for the transaction of business at all such meetings. Any meeting at which a quorum is not present within one-half hour after the time fixed for the holding of such meeting, if convened upon the request of the Unitholders, will be terminated, but in any other case, the meeting will stand adjourned to a day not less than 14 days later and to a place and time as chosen by the chair of the meeting, and if at such adjourned meeting a quorum is not present, the Unitholders present either in person or by proxy will be deemed to constitute a quorum.

Holders of Special Voting Units will have an equal right to be notified of, attend and participate in meetings of Unitholders. Pursuant to the Declaration of Trust, a resolution in writing executed by Unitholders holding a proportion of the outstanding Trust Units equal to the proportion required to vote in favour thereof at a meeting of Unitholders to approve that resolution is valid as if it had been passed at a meeting of Unitholders.

Advance Notice Provision

The Declaration of Trust includes certain advance notice provisions (the "Advance Notice Provision"), which will: (i) facilitate orderly and efficient annual general or, where the need arises, special, meetings; (ii) ensure that all Unitholders receive adequate notice of the Trustee nominations and sufficient information with respect to all nominees; and (iii) allow Unitholders to register an informed vote.

Except as otherwise provided in the Declaration of Trust, only persons who are nominated by Unitholders in accordance with the Advance Notice Provision shall be eligible for election as Trustees. Nominations of persons for election to the Board of Trustees may be made for any annual meeting of Unitholders, or for any special meeting of Unitholders if one of the purposes for which the special meeting was called was the election of Trustees: (a) by or at the direction of the Board of Trustees, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more Unitholders pursuant to a requisition of the Unitholders made in accordance with the Declaration of Trust; or (c) by any person (a "Nominating Unitholder"): (A) who, at the close of business on the date of the giving of the notice provided for below and on the record date for notice of such meeting, is entered in the REIT's register as a holder of one or more Trust Units carrying the right to vote at such meeting or who beneficially owns Trust Units that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth in the Advance Notice Provision.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Unitholder, the Nominating Unitholder must have given timely notice thereof in proper written form to the Trustees.

To be timely, a Nominating Unitholder's notice to the Trustees must be made: (a) in the case of an annual meeting of Unitholders, not less than 30 nor more than 60 days prior to the date of the annual meeting of Unitholders; provided, however, that in the event that the annual meeting of Unitholders is to be held on a date that is less than 50 days after the date (the "Notice Date") that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Unitholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of Unitholders called for the purpose of electing Trustees (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the special meeting of Unitholders was made. In no event shall any adjournment or postponement of a meeting of Unitholders or the announcement thereof commence a new time period for the giving of a Nominating Unitholder's notice as described above.

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

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

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

Redemption Right

Trust Units are redeemable at any time on demand by the holders thereof upon delivery to the REIT of a duly completed and properly executed notice requesting redemption in a form reasonably acceptable to the Trustees, together with written instructions as to the number of Trust Units to be redeemed. A Unitholder not otherwise holding a fully registered Trust Unit certificate who wishes to exercise the redemption right will be required to obtain a redemption notice form from the Unitholder's investment dealer who will be required to deliver the completed redemption notice form to the REIT and to CDS. Upon receipt of the redemption notice by the REIT, all rights to and under the Trust Units tendered for redemption shall be surrendered and the holder thereof will be entitled to receive a price per Trust Unit (the "Redemption Price") equal to the lesser of:

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

(b) 100% of the "Closing Market Price" on the Redemption Date.

For purposes of this calculation, the "Market Price" of a Trust Unit as at a specified date will be:

(a) an amount equal to the weighted average trading price of a Trust Unit on the principal exchange or market on which the Trust Units are listed or quoted for trading during the period of 10 consecutive trading days ending on such date;

(b) an amount equal to the weighted average of the closing market prices of a Trust Unit on the principal exchange or market on which the Trust Units are listed or quoted for trading during the period of 10 consecutive trading days ending on such date, if the applicable exchange or market does not provide information necessary to compute a weighted average trading price; or

(c) if there was trading on the applicable exchange or market for fewer than five of the10 trading days, an amount equal to the simple average of the following prices established for each of the 10 consecutive trading days ending on such date: the simple average of the last bid and last asking price of the Trust Units for each day on which there was no trading; the closing price of the Trust Units for each day that there was trading if the exchange or market provides a closing price; and the simple average of the highest and lowest prices of the Trust Units for each day that there was trading, if the market provides only the highest and lowest prices of Trust Units traded on a particular day.

The "Closing Market Price" of a Trust Unit for the purpose of the foregoing calculations, as at any date will be:

(a) an amount equal to the weighted average trading price of a Trust Unit on the principal exchange or market on which the Trust Units are listed or quoted for trading on the specified date and the principal exchange or market provides information necessary to compute a weighted average trading price of the Trust Units on the specified date;

(b) an amount equal to the closing price of a Trust Unit on the principal market or exchange if there was a trade on the specified date and the principal exchange or market provides only a closing price of the Trust Units on the specified date;

(c) an amount equal to the simple average of the highest and lowest prices of the Trust Units on the principal market or exchange, if there was trading on the specified date and the principal exchange or market provides only the highest and lowest trading prices of the Trust Units on the specified date; or

(d) the simple average of the last bid and last asking prices of the Trust Units on the principal market or exchange, if there was no trading on the specified date.

If Trust Units are not listed or quoted for trading in a public market, the Redemption Price will be the fair market value of the Trust Units, which will be determined by the Trustees in their sole discretion.

The aggregate Redemption Price payable by the REIT in respect of any Trust Units surrendered for redemption during any calendar month will be paid by cheque, drawn on a Canadian chartered bank or trust company in Canadian dollars within 30 days after the end of the calendar month in which the Trust Units were tendered for redemption, provided that the entitlement of Unitholders to receive cash upon the redemption of their Trust Units is subject to the limitations that: (i) the total amount payable by the REIT in respect of such Trust Units and all other Trust Units tendered for redemption in the same calendar month must not exceed $50,000 (provided that such limitation may be waived at the discretion of the Trustees); (ii) on the date such Trust Units are tendered for redemption, the outstanding Trust Units must be listed for trading on the TSX or traded or quoted on any other stock exchange or market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Trust Units; (iii) the normal trading of Trust Units is not suspended or halted on any stock exchange on which the Trust Units are listed (or, if not listed on a stock exchange, in any market where the Trust Units are quoted for trading) on the Redemption Date or for more than five trading days during the 10-day trading period commencing immediately before the Redemption Date; and (iv) the redemption of the Trust Units must not result in the delisting of the Trust Units the principal stock exchange on which the Trust Units are listed.

Cash payable on redemptions will be paid *pro rata* to all Unitholders tendering Trust Units for redemption in any month. To the extent a Unitholder is not entitled to receive cash upon the redemption of Trust Units as a result of any of the foregoing limitations, then the balance of the Redemption Price for such Trust Units will, subject to any applicable regulatory approvals, be paid and satisfied by way of a distribution *in specie* to such Unitholder of Redemption Notes. In the event of distributions of Redemption Notes, each Redemption Note so distributed to the redeeming holder of Trust Units shall be in the principal amount of $100 or such other amount as may be determined by the Trustees. No fractional Redemption Notes shall be distributed and where the number of Redemption Notes to be received upon redemption by a holder of Trust Units would otherwise include a fraction, that number shall be rounded down to the next lowest whole number. The Trustees may deduct or withhold from all payments or other distributions payable to any Unitholder pursuant to the Declaration of Trust all amounts required by law to be so withheld. Where the REIT makes a distribution *in specie* on the redemption of Trust Units of a Unitholder, the REIT currently intends to allocate to that Unitholder any capital gain or income realized by the REIT on or in connection with such distribution. See "Certain Canadian Federal Income Tax Considerations".

Purchases of Trust Units by the REIT

The REIT may from time to time purchase Trust Units in accordance with applicable securities legislation and the rules prescribed under applicable stock exchange and regulatory policies. Any such purchase will constitute an "issuer bid" under Canadian provincial securities legislation and must be conducted in accordance with the applicable requirements thereof.

Take-Over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid or issuer bid is made for Trust Units within the meaning of the *Securities Act* (Ontario) and not less than 90% of the Trust Units (other than Trust Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Trust Units held by Unitholders who do not accept the offer either, at the election of each Unitholder, on the terms offered by the offeror or at the fair value of such Unitholder's Trust Units determined in accordance with the procedures set out in the Declaration of Trust.

The Declaration of Trust and the Exchange Agreement will provide that in the event that a non-exempt take-over bid from a person acting at arm's length to holders of LP Units (or any affiliate or associate thereof) is made for Trust Units, unless the take-over bid is structured to permit holders of LP Units to both exchange and tender conditional on take-up, then, from and after the first take-up of Trust Units under the said take-over bid (provided that not less than 25% of the Trust Units other than Trust Units held at the date of the take-over bid by the offeror or associates or affiliates of the offeror are so taken up) the terms and conditions of the LP Units will be amended such that the exchange ratio shall be varied to equal 110% of the exchange ratio then in effect (such that on conversion, exercise or exchange the holder shall receive 1.1 Trust Units for each Trust Unit that the holder would otherwise have received). Notwithstanding any adjustment on completion of an exclusionary offer as described above, the distribution rights attaching to the LP Units will also not be adjusted until the exchange right is actually exercised.

Issuance of Trust Units

The REIT may issue new Trust Units from time to time, in such manner, for such consideration and to such person or persons as the Trustees shall determine. Unitholders will not have any pre-emptive rights whereby additional Trust Units proposed to be issued would be first offered to existing Unitholders, except that for so long as Huntingdon continues to hold at least a 10% voting interest in the REIT, Huntingdon will have the pre-emptive right, subject to any applicable regulatory approvals, to purchase additional Trust Units issued by the REIT to maintain its *pro rata* voting interest in the REIT. If the Trustees determine that the REIT does not have cash in an amount sufficient to make payment of the full amount of any distribution, the payment may include the issuance of additional Trust Units having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustees to be available for the payment of such distribution.

The REIT may also issue new Trust Units (i) as consideration for the acquisition of new properties or assets by it, at a price or for the consideration determined by the Trustees or (ii) pursuant to any incentive or option plan established by the REIT from time to time, including the DRIP (See "Distribution Policy — Distribution Reinvestment Plan").

The Declaration of Trust also provides that immediately after any *pro rata* distribution of Trust Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Trust Units will be consolidated so that each Unitholder will hold, after the consolidation, the same number of Trust Units as the Unitholder held before the non-cash distribution. In this case, each certificate representing a number of Trust Units prior to the non-cash distribution is deemed to represent the same number of Trust Units after the non-cash distribution and the consolidation. Where amounts distributed represent income, Non-Resident holders will be subject to withholding tax and the consolidation will not result in such Non-Resident Unitholders holding the same number of Trust Units. Such Non-Resident Unitholders will be required to surrender the certificates (if any) representing their original Trust Units in exchange for a certificate representing post-consolidation Trust Units.

Book-Based System

At the option of the Trustees, one or more global unit certificates (each a "Global Unit Certificate") may be issued in the name of and deposited by Computershare Trust Company of Canada, as transfer agent (the "Transfer Agent") with, or on behalf of, CDS as custodian of such global unit certificate and registered by the Transfer Agent in the name of CDS or its nominee. No beneficial holder of Trust Units represented in part by a Global Unit Certificate will be entitled to a certificate or other instrument from the Trust or CDS evidencing that beneficial holder's ownership thereof except in the circumstances where CDS resigns or is removed from its responsibilities as depository and the REIT is unable or does not wish to locate a qualified successor. Beneficial interests in a Global Unit Certificate will be represented only through the book-entry system of CDS. Transfers of Trust Units between participants of CDS shall occur in accordance with CDS' rules and procedures.

Trust Units issued in the form of a Global Unit Certificate will be issued in fully registered form to holders or their nominees, other than CDS or its nominee, only if: (i) the REIT is required to do so by applicable law; (ii) the depository system of CDS ceases to exist; (iii) the REIT determines that CDS is no longer willing or able or qualified to discharge properly its responsibility as depository and the REIT is unable to locate a qualified successor; or (iv) the REIT at its option elects to terminate the book-entry system in respect of such Trust Units through CDS.

Transfer and Exchange of Trust Units

Transfers of beneficial ownership of Trust Units represented by Global Unit Certificates will be effected through records maintained by CDS or its nominees (with respect to interests of participants) and on the records of participants (with respect to interests of persons other than participants). Unless the REIT elects, in its sole discretion, to prepare and deliver definitive certificates representing the Trust Units, beneficial owners who are not participants in the book-entry system administered by CDS, but who desire to purchase, sell or otherwise transfer ownership of or other interest in Global Unit Certificates, may do so only through participants in the book-entry system administered by CDS.

The ability of a beneficial owner of an interest in a Trust Unit represented by a Global Unit Certificate to pledge the Trust Unit or otherwise take action with respect to such owner's interest in the Trust Unit represented by a Global Unit Certificate (other than through a participant) may be limited due to the lack of a physical certificate.

Registered holders of definitive certificates representing Trust Units may transfer such Trust Units upon payment of taxes or other charges incidental thereto, if any, by executing and delivering a form of transfer together with the Trust Unit certificates to the registrar for the Trust Units at its principal office in the City of Toronto, Ontario or such other city or cities as may from time to time be designated by the REIT, whereupon new Trust Unit certificates will be issued in authorized denominations in the same aggregate principal amount as the Trust Unit certificates so transferred, registered in the name of the transferees.

Limitation on Non-Resident Ownership

In order for the REIT to maintain its status as a "mutual fund trust" under the Tax Act, the REIT must not be established or maintained primarily for the benefit of Non-Residents. Accordingly, at no time may Non-Residents be the beneficial owners of more than 49% of the Trust Units and the Trustees will inform the transfer agent and registrar of this restriction. The Trustees may require declarations as to the jurisdictions in which beneficial owners of Trust Units are resident. If the Trustees become aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 49% of the Trust Units then outstanding are, or may be, Non-Residents or that such a situation is imminent, the Trustees may make a public announcement thereof and will not accept a subscription for Trust Units from or issue Trust Units to a person unless the person provides a declaration that the person is not a Non-Resident. If, notwithstanding the foregoing, the Trustees determine that more than 49% of the Trust Units are held by Non-Residents, the Trustees may send a notice to Non-Resident holders of Trust Units, chosen in inverse order to the order of acquisition or registration or in such manner as the Trustees may consider equitable and practicable, requiring them to sell their Trust Units or a portion thereof within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Trust Units or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trustees may, on behalf of such Unitholders sell such Trust Units and, in the interim, must suspend the voting and distribution rights attached to such Trust Units. Upon such sale the affected holders will cease to be holders of Trust Units and their rights will be limited to receiving the net proceeds of sale, subject to the right to receive payment of any distribution declared by the Trustees which is unpaid and owing to such Unitholders. The Trustees will have no liability for the amount received provided that they act in good faith. Pursuant to the FAM LP Agreement, Class B LP Units, which are economically equivalent to Trust Units, are not permitted to be transferred and Huntingdon as holder of the Class B LP Units will agree not to take any action that would result in the Class B LP Units being held by a Non-Resident. See "FAM LP — Partnership Units".

Information and Reports

The REIT will furnish to Unitholders such financial statements (including quarterly and annual financial statements) and other reports as are from time to time required by the Declaration of Trust and by applicable law. Prior to each meeting of Unitholders, the Trustees will provide the Unitholders (along with notice of such meeting) information as required by applicable tax and securities laws.

Amendments to Declaration of Trust

The Declaration of Trust may be amended or altered from time to time. Certain amendments require approval by at least two-thirds of the votes cast at a meeting of Unitholders called for such purpose. Other amendments to the Declaration of Trust require approval by a majority of the votes cast at a meeting of Unitholders called for such purpose.

Except as described below, the following amendments, among others, require the approval of two-thirds of the votes cast by all Unitholders at a meeting:

(a) an exchange, reclassification or cancellation of all or part of the Trust Units, Special Voting Units or Preferred Units;

(b) the addition, change or removal of the rights, privileges, restrictions or conditions attached to the Trust Units, Special Voting Units or Preferred Units;

(c) any constraint of the issue, transfer or ownership of the Trust Units, Special Voting Units or Preferred Units or the change or removal of such constraint;

(d) the sale or transfer of the assets of the REIT as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the REIT approved by the Trustees and not prejudicial to Unitholders);

(e) the termination of the REIT (other than as part of an internal reorganization of the assets of the REIT approved by the Trustees and not prejudicial to Unitholders);

(f) the combination, amalgamation or arrangement of any of the REIT or its subsidiaries with any other entity (other than as part of an internal reorganization of the assets of the REIT approved by the Trustees and not prejudicial to Unitholders); and

(g) except as described herein, the amendment of the investment guidelines and operating policies of the REIT. See “Investment Guidelines and Operating Policies — Amendments to Investment Guidelines and Operating Policies”.

Notwithstanding the foregoing, the Trustees may, without the approval of the Unitholders, make certain amendments to the Declaration of Trust, including amendments:

(a) aimed at ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over: (i) the Trustees or the REIT; (ii) the status of the REIT as a “mutual fund trust” under the Tax Act; or (iii) the distribution of Trust Units;

(b) which, in the opinion of the Trustees, provide additional protection for the Unitholders;

(c) to remove any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Unitholders;

(d) which, in the opinion of the Trustees, are necessary or desirable to remove conflicts or inconsistencies between the disclosure in this prospectus and the Declaration of Trust;

(e) of a minor or clerical nature or to correct typographical mistakes, ambiguities or manifest omissions or errors, which amendments, in the opinion of the Trustees, are necessary or desirable and not prejudicial to the Unitholders;

(f) which, in the opinion of the Trustees, are necessary or desirable: (i) to ensure continuing compliance with IFRS; or (ii) to ensure the Trust Units qualify as equity for purposes of IFRS;

(g) which, in the opinion of the Trustees, are necessary or desirable to enable the REIT to implement a Trust Unit option or purchase plan or issue Trust Units for which the purchase price is payable in instalments;

(h) which, in the opinion of the Trustees, are necessary or desirable and not prejudicial to the Unitholders, (i) to create and issue one or more new classes of Preferred Units (each of which may be comprised of unlimited series) that rank in priority to the Trust Units and Special Voting Units (in payment of distributions and in connection with any termination or winding-up of the REIT), and/or (ii) to remove the redemption right attaching to the Trust Units and convert the REIT into a closed-end limited purpose trust;

(i) which, in the opinion of the Trustees, are necessary or desirable for the REIT to qualify for a particular status under, or as a result of changes in, taxation or other laws, or the interpretation of such laws, including to qualify for the definition of “real estate investment trust” in the Tax Act or to otherwise prevent the REIT or any of its Subsidiaries from becoming subject to tax under the SIFT Legislation;

(j) to create one or more additional classes of units solely to provide voting rights to holders of shares, units or other securities that are exchangeable for Trust Units entitling the holder thereof to a number of votes not exceeding the number of Trust Units into which the exchangeable shares, units or other securities are exchangeable or convertible but that do not otherwise entitle the holder thereof to any rights with respect to the REIT’s property or income other than a return of capital; and

(k) for any purpose (except one in respect of which a Unitholder vote is specifically otherwise required) which, in the opinion of the Trustees, is not prejudicial to Unitholders and is necessary or desirable.

Pursuant to the Declaration of Trust, no amendment shall be made that limits or alters the nomination rights of Huntingdon described in this prospectus without the express written consent of Huntingdon, provided that Huntingdon and its affiliates hold, directly or indirectly, at least a 10% ownership interest in the REIT, calculated on a fully-diluted basis.

THE WARRANT INDENTURE

The Warrants will be issued under and be governed by the terms of an indenture (the "Warrant Indenture") to be entered into as of Closing, between the REIT and Computershare Trust Company of Canada, as warrant agent thereunder (the "Warrant Agent"). The REIT has appointed the principal transfer office of the Warrant Agent in Toronto, Ontario and Vancouver, British Columbia as the location at which Warrants may be surrendered for exercise or transfer. The following summary of certain provisions of the Warrant Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture which, following the Closing, will be available on SEDAR at www.sedar.com.

The Offered Units will separate immediately upon Closing into Trust Units and Warrants. 1,470,000 whole Warrants will be issued on Closing and 220,500 whole Warrants will be reserved for issuance pursuant to the Over-Allotment Option. Each whole Warrant will entitle the holder to purchase one Warrant Unit at a price of $10.50. The exercise price and the number of Warrant Units issuable upon exercise are both subject to adjustment in certain circumstances as more fully described below. The whole Warrants will be exercisable at any time following the Closing and prior to 5:00 p.m. (Toronto time) on December 28, 2015, after which time the Warrants will expire and become null and void. The Warrant Indenture will provide, that, subject to regulatory approval, the REIT may issue any number of additional trust unit purchase warrants, including of the same series and on the same terms as the Warrants (including exercise price and expiry date).

The Warrants may not be exercised in the United States or to or for the account or benefit of a U.S. person, as such term is defined in Regulation S under the U.S. Securities Act.

The exercise price for a whole Warrant is payable in Canadian dollars.

The Warrant Indenture provides for adjustment in the number of Warrant Units issuable upon the exercise of the whole Warrants and/or the exercise price per Warrant Unit upon the occurrence of certain events, including (without duplication):

(i) the issuance of Trust Units or securities exchangeable for or convertible into Trust Units to all or substantially all of the holders of the Trust Units as a unit distribution or other distribution (other than a "distribution paid in the ordinary course" (as defined in the Warrant Indenture), or a distribution of Trust Units upon the exercise of the whole Warrants or pursuant to the exercise of stock options (or similar incentive or compensation rights granted under an equity-linked incentive or unit compensation plans));

(ii) the subdivision, redivision or change of the Trust Units into a greater number of Trust Units;

(iii) the reduction, combination or consolidation of the Trust Units into a lesser number of Trust Units;

(iv) the issuance to all or substantially all of the holders of the Trust Units of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Trust Units, or securities exchangeable for or convertible into Trust Units, at a price per Trust Unit to the holders (or at an exchange or conversion price per Trust Unit) of less than 95% of the "current market price", as defined in the Warrant Indenture, for the Trust Units on such record date; and

(v) the issuance or distribution to all or substantially all of the holders of the Trust Units of units of any class other than the Trust Units, rights, options or warrants to acquire Trust Units or securities exchangeable or convertible into Trust Units, at a price per Trust Unit to the holders (or at an exchange or conversion price per Trust Unit) of less than 95% of the "current market price", as defined in the Warrant Indenture, or other assets of the REIT, or evidences of indebtedness or cash, securities or any property or other assets (other than a "dividend paid in the ordinary course" (as defined in the Warrant Indenture)).

The Warrant Indenture also provides for adjustment in the class and/or number of securities issuable upon the exercise of the whole Warrants and/or exercise price per security in the event of the following additional events: (1) reclassifications of the Trust Units; (2) consolidations, amalgamations, plans of arrangement or mergers of the REIT with or into another entity (other than consolidations, amalgamations, plans of arrangement or mergers which do not result in any reclassification of the Trust Units or a change of the Trust Units into other units); or (3) the transfer (other than to one of the REIT's subsidiaries) of the undertaking or assets of the REIT as an entirety or substantially as an entirety to another corporation or other entity. In such event, any holder of Warrants who exercises the right to purchase Warrant Units pursuant to whole Warrants then held after the effective date of any of the foregoing will be entitled to receive, and will accept for the same aggregate consideration in lieu of the number of Warrant Units to which such holder was previously entitled, the aggregate number of units, other securities or other property which such holder would have been entitled to receive as a result of such event if, on the effective date thereof, the holder had been the holder of the number of Trust Units to which such holder was previously entitled to purchase.

The Warrant Indenture defines "current market price" of the Trust Units, in respect of any date as the price of the Trust Units equal to the weighted average price per Trust Unit on the TSX, or if the Trust Units are not listed on the TSX, on any stock exchange on which the Trust Units are listed as the trustees may select for this purpose, or if the Trust Units are not listed on any stock exchange, in the over-the-counter market for the period of 20 consecutive trading days ending on (and including) the fifth trading day before that date; and for the purpose of this definition, the weighted average price shall be determined by dividing the aggregate sale price of all Trust Units sold during such period of 20 consecutive trading days on such exchange or market, as the case may be, by the total number of Trust Units so sold.

The Warrant Indenture defines "distribution paid in the ordinary course" as regularly scheduled distributions declared payable by the REIT (payable in cash, units of the REIT, rights, options or warrants to purchase any units, property or other assets of the REIT (other than those that would result in an adjustment described above) or property or other assets of the REIT) in amounts determined by the board of trustees in accordance with past practices, having regard to, among other things, the REIT's profitability, the amount of distributions as a percentage of the REIT's net operating income, funds from operations or adjusted funds from operations, competitors' dividend or distribution policies and practices and general market and economic conditions. For clarity, the amount of a distribution will not be determinative of whether a distribution is a "distribution paid in the ordinary course".

No adjustment in the exercise price or the number of Warrant Units issuable upon the exercise of the whole Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would change the exercise price by at least 1% or the number of Trust Units purchasable upon exercise by at least one one-hundredth of a Trust Unit.

In addition to the foregoing, the Warrant Indenture will provide that the REIT will have the right, at any time and from time to time, on a temporary or permanent basis and on terms the REIT deems fit, subject to any required regulatory approvals, including the TSX, and without the consent, approval or concurrence of any holders of whole Warrants, to reduce the exercise price of the whole Warrants or any other series of warrants now or hereafter issued and outstanding under the Warrant Indenture by providing notice to holders of affected warrants (which may include the whole Warrants) specifying the terms on which the exercise price is to be reduced. The determination of whether to exercise the above discretion, if at all, is a matter that the REIT will determine. Holders should not expect the REIT to exercise this discretion.

The REIT will also covenant in the Warrant Indenture that, during the period in which the whole Warrants are exercisable, it will give notice to holders of whole Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the whole Warrants or the number of Warrant Units issuable upon exercise of the whole Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such events.

No fractional Warrants will be issued and no fractional Warrant Units will be issuable upon the exercise of any whole Warrants, and no cash or other consideration will be paid in lieu of whole Warrants or fractional units. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Trust Units of the REIT would have.

From time to time, the REIT and the Warrant Agent, without the consent of the holders of whole Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of whole Warrants in a material respect. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the whole Warrants in a material respect may only be made by "extraordinary resolution", which is defined in the Warrant Indenture as a resolution either (1) passed at a meeting of the holders of whole Warrants at which there are holders of whole Warrants present in person or represented by proxy entitled to purchase at least 10% of the aggregate number of Trust Units which may be purchased pursuant to all of the then outstanding whole Warrants and passed by the affirmative vote of holders of whole Warrants representing not less than 66⅔% of the aggregate number of the Trust Units which may be purchased pursuant to all of the then outstanding whole Warrants represented at the meeting and voted on the poll upon such resolution or (2) adopted by an instrument in writing signed by the holders of whole Warrants representing not less than 66⅔% of the aggregate number of Trust Units which may be purchased pursuant to all of the then outstanding whole Warrants.

FAM LP

General

FAM LP is a limited partnership formed under the laws of the Province of Ontario prior to Closing and will be governed by the FAM LP Agreement. The general partners of FAM LP will be FAM GP and FAM Property Inc., each a company incorporated under the laws of Ontario. FAM GP, which will be wholly owned by the REIT, is expected to hold wholly-owned properties. FAM Property Inc., which will be owned as to 49% by the REIT and as to 51% by Huntingdon, is expected to hold interests in certain properties co-owned with third-parties. The limited partners of FAM LP will be the REIT and Huntingdon.

Partnership Units

Upon Closing, FAM LP will have outstanding 100 general partnership units, all of which will be held by FAM GP and FAM Property Inc. (with FAM GP and FAM Property Inc. holding 90 and 10 general partnership units, respectively), 5,880,000 Class A LP Units, all of which will be held by the REIT, and 2,513,700 Class B LP Units, all of which will be held by Huntingdon. Immediately following Closing, the Class A LP Units, together with the general partnership units, will represent approximately 70% of the total interests in FAM LP then outstanding and the Class B LP Units will represent approximately 30% of the total interests in FAM LP then outstanding.

The Class B LP Units will, in all material respects, be economically equivalent to the Trust Units on a per unit basis. Under the FAM LP Agreement, the Class B LP Units will be exchangeable on a one-for-one basis for Trust Units (subject to adjustments) at any time at the option of their holder, unless the exchange would jeopardize the REIT's status as a "mutual fund trust" under the Tax Act. In addition, FAM LP will be entitled to require the redemption of the Class B LP Units in certain specified circumstances. Class B LP Units will not be transferable and Huntingdon will agree not to take any action that would result in: (i) the Class B LP Units being held by a Non-Resident; or (ii) FAM LP failing to qualify as an "excluded subsidiary entity" for purposes of the SIFT Legislation.

The FAM LP Agreement will provide that taxable income of FAM LP will, to the extent possible, be allocated to Huntingdon in amounts approximating what would be realized by it if it held its interest in the REIT in Trust Units rather than by holding Class B LP Units. The remaining taxable income of FAM LP will be allocated to the REIT and the general partners of FAM LP in accordance with their respective partnership interests in FAM LP. Losses of FAM LP will be allocated under a similar methodology.

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

Holders of Class A LP Units will be entitled to notice of, and to attend and vote at, all meetings of holders of Class A LP Units. No Class A LP Units will be issued to or held by Non-Residents.

Operation

The business and affairs of FAM LP will be managed and controlled exclusively by FAM GP which will be bound by the investment guidelines and operating policies applicable to the REIT.

DISTRIBUTION POLICY

The following outlines the distribution policy of the REIT as contained in the Declaration of Trust. Determinations as to the amounts actually distributable will be made in the sole discretion of the Trustees.

Distribution Policy

The REIT intends to adopt a distribution policy pursuant to which it will make *pro rata* monthly cash distributions to Unitholders and will cause cash partnership distributions to be made to holders of Class B LP Units (subject to an election by Unitholder to utilize the DRIP described below) initially equal to, on an annual basis, approximately 95% of AFFO. Management of the REIT believes that the 95% payout ratio initially set by the REIT should allow the REIT to meet its internal funding needs, while being able to support stable growth in cash distributions. However, subject to compliance with the Declaration of Trust, the actual payout ratio will be determined by the Trustees in their discretion. Pursuant to the Declaration of Trust, the Trustees have full discretion respecting the timing and amounts of distributions including the adoption, amendment or revocation of any distribution policy. It is the REIT's current intention to make distributions to Unitholders at least equal to the amount of net income and net realized capital gains of the REIT as is necessary to ensure that the REIT will not be liable for ordinary income taxes on such income. Any increase or reduction in the percentage of AFFO to be distributed to Unitholders will result in a corresponding increase or decrease in distributions on Class B LP Units.

Unitholders of record as at the close of business on the last business day of the month preceding a Distribution Date will have an entitlement on and after that day to receive distributions in respect of that month on such Distribution Date. Distributions may be adjusted for amounts paid in prior periods if the actual AFFO for the prior periods is greater than or less than the estimates for the prior periods. Under the Declaration of Trust and pursuant to the distribution policy of the REIT, where the REIT's cash is not sufficient to make payment of the full amount of a distribution, such payment will, to the extent necessary, be distributed in the form of additional Trust Units. See "Declaration of Trust — Issuance of Units" and "Certain Canadian Federal Income Tax Considerations".

The first distribution will be for the period from Closing to January 31, 2013 and will be paid on or about February 15, 2013 and, assuming the Closing occurs on December 28, 2012, will be in the amount of $0.0707 per Trust Unit. The REIT intends to make subsequent monthly distributions on the 15th of the month, or the first business day thereafter should the 15th not be a business day, in the estimated amount of $0.0625 per Trust Unit commencing March 15, 2013 for the month of February, 2013.

Distribution Reinvestment Plan

Following Closing, the REIT intends to implement, subject to regulatory approval, the DRIP pursuant to which Unitholders may elect to have all cash distributions of the REIT automatically reinvested in additional Trust Units at a price per Trust Unit calculated by reference to the weighted average of the closing price of Trust Units on the TSX for the five trading days immediately preceding the relevant Distribution Date. Unitholders who so elect will receive a further distribution of Trust Units equal in value to 3% of each distribution that was reinvested by the Unitholder. It is Huntingdon's intention to participate in the DRIP, subject to liquidity considerations and other capital allocation decisions.

No brokerage commission will be payable in connection with the purchase of Trust Units under the DRIP and all administrative costs will be borne by the REIT. Cash undistributed by the REIT upon the issuance of additional Trust Units under the DRIP will be invested in the REIT to be used for future property acquisitions, capital improvements and working capital.

Unitholders resident outside of Canada will not be entitled to participate in the DRIP. Upon ceasing to be a resident of Canada, a Unitholder must terminate the Unitholder's participation in the DRIP.

Further administrative details, including the date of the first distribution of income for which Unitholders will be entitled to elect to have distributions reinvested under the DRIP, and enrolment documents regarding the DRIP will be forwarded to beneficial owners of Trust Units prior to the fourth Distribution Date.

Tax Deferral on Distributions

The REIT estimates that, of the monthly cash distributions to be made by the REIT to Unitholders, 100% in 2013 will be tax deferred by reason of the REIT's ability to claim capital cost allowance and certain other deductions. Such estimate is based on the facts set out in this prospectus, the financial forecast and related assumptions, the provisions of the Tax Act in force at the date hereof, current publicly available published administrative policies and assessing practices of CRA and the Tax Proposals. The adjusted cost base of Trust Units held by a Unitholder generally will be reduced by such non-taxable portion of distributions made to the Unitholder (other than the non-taxable portion of certain capital gains). A Unitholder generally will realize a capital gain to the extent that the adjusted cost base of the Unitholder's Trust Units would otherwise be a negative amount, notwithstanding that the Unitholder has not sold any Trust Units. The composition for tax purposes may change over time thus affecting the after-tax return to a Unitholder. See "Certain Canadian Federal Income Tax Considerations".

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Goodmans LLP, counsel to the REIT, and McCarthy Tétrault LLP, counsel to the Underwriters, (together, "Counsel") the following summary fairly presents the principal Canadian federal income tax considerations generally applicable under the Tax Act to a holder who acquires Offered Units pursuant to the Offering and who, at all relevant times, for purposes of the Tax Act: (i) is a resident of Canada, (ii) deals at arm's length and is not affiliated with the REIT or its affiliates within the meaning of the Tax Act, and (iii) holds the Trust Units and Warrants underlying the Offered Units as capital property (a "Holder"). Generally, the Trust Units and Warrants will be considered to be capital property to a Holder, provided that the Holder does not hold the Trust Units or Warrants in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders who might not otherwise be considered to hold their Trust Units as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such Holders should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a Holder: (i) that is a "financial institution" (as defined in the Tax Act for the purposes of the "mark-to-market" rules), (ii) that is a "specified financial institution" (as defined in the Tax Act), (iii) that is a partnership, (iv) an interest in which would be a "tax shelter investment" (as defined in the Tax Act), or (v) that has elected under section 261 of the Tax Act to report its Canadian tax results in a currency other than Canadian currency. Any such Holder should consult its own tax advisor to determine the tax consequences of the acquisition, holding and disposition of Trust Units and Warrants acquired pursuant to the Offering. This summary does not address any Canadian federal income tax considerations applicable to Non-Residents, and Non-Residents should consult their own tax advisors regarding the tax consequences of acquiring Offered Units. In addition, this summary does not address the deductibility of interest by an investor who has borrowed money to acquire Offered Units under the Offering

This summary is based on certain representations as to factual matters made in a certificate signed by an officer of the REIT and provided to Counsel (the "Officer's Certificate"). This summary assumes that such representations, including the representations as to factual matters that will ensure that the REIT will qualify and continue to qualify as a "mutual fund trust", are true and correct, that the REIT has and will at all times comply with the Declaration of Trust, that the REIT will file an election under subsection 132(6.1) of the Tax Act to be deemed to have been a mutual fund trust from the time of its establishment, and that the REIT does and will continue to qualify as a "mutual fund trust" under the provisions of the Tax Act while Trust Units remain outstanding.

This summary is of a general nature only and is based upon the facts set out herein and in the Officer's Certificate, the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals"), and Counsel's understanding of the current administrative and assessing policies of the Canada Revenue Agency ("CRA") published in writing by it prior to the date hereof. There can be no assurance that the Tax Proposals will be implemented in their current form or at all. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in the law whether by legislative, governmental or judicial action or decision, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed in this summary. There can be no assurances that the CRA will not change its administrative and assessing practices. Modification or amendment of the Tax Act or the Tax Proposals could significantly alter the tax status of the REIT and/or the tax consequences of investing in Offered Units.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an acquisition of Offered Units pursuant to the Offering or the holding or disposition of Trust Units or Warrants. Furthermore, the income and other tax consequences of acquiring, holding or disposing of Trust Units or Warrants will vary depending on the holder's particular circumstances, including the jurisdiction in which the holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any prospective holder. Investors should consult their own tax advisors with respect to the tax consequences of the Offering and the acquiring, holding or disposing of Trust Units and Warrants based on their particular circumstances.

For the purposes of this opinion and the opinion given under the heading "Eligibility for Investment", a reference to the "REIT" is a reference to FAM Real Estate Investment Trust only and is not a reference to any of its Subsidiaries.

Status of the REIT

Qualification as a "Mutual Fund Trust"

This summary is based on the assumptions that the REIT will qualify at all times as a "mutual fund trust" within the meaning of the Tax Act and that the REIT will validly elect under the Tax Act to be a mutual fund trust from the date it was established.

To qualify as a mutual fund trust, the REIT, among other things, must be a "unit trust", as defined in the Tax Act, must not be established or maintained primarily for the benefit of Non-Residents, and must restrict its undertaking to: (i) the investing of its funds in property (other than real property or an interest in real property or an immovable or a real right in an immovable), (ii) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property or of any immovable or real right in immovables) that is capital property of the REIT, or (iii) any combination of the activities described in (i) and (ii), and the REIT must comply on a continuous basis with certain minimum requirements respecting the ownership and dispersal of Trust Units. An officer of the REIT has advised Counsel that the REIT will file an election under subsection 132(6.1) of the Tax Act to be deemed to have been a mutual fund trust from the time of its establishment and that the REIT intends to continue to qualify as a "mutual fund trust" under the provisions of the Tax Act at all times thereafter.

If the REIT were not to qualify as a mutual fund trust at any particular time, the income tax considerations described below would, in some respects, be materially and adversely different.

Qualification as a "Real Estate Investment Trust"

SIFT Legislation

The SIFT Legislation taxes certain publicly-traded or listed trusts and partnerships in a manner similar to corporations and taxes certain distributions from such trusts and partnerships as taxable dividends from a taxable Canadian corporation. These rules apply only to "SIFT trusts", "SIFT partnerships" (each as defined in the Tax Act) and their investors.

Where the SIFT Legislation applies, distributions of a SIFT trust's "non-portfolio earnings" are not deductible in computing the SIFT trust's net income. Non-portfolio earnings generally are defined as income attributable to a business carried on by the SIFT trust in Canada or to income (other than certain dividends) from, and taxable capital gains arising on the disposition of "non-portfolio properties". The SIFT trust itself is liable to pay income tax on an amount equal to the amount of such non-deductible distributions at a rate that substantially is equivalent to the combined federal and provincial general tax rate applicable to taxable Canadian corporations. Such non-deductible distributions paid to a holder of units of the SIFT trust generally are deemed to be taxable dividends received by such holder from a taxable Canadian corporation. Such deemed dividends generally will qualify as "eligible dividends" for purposes of the enhanced gross-up and dividend tax credit available under the Tax Act to individuals resident in Canada and for purposes of computing a Canadian resident corporation's "general rate income pool" or "low rate income pool", as the case may be, each as defined in the Tax Act. In general, distributions that are paid as returns of capital generally will not attract the tax under the SIFT Legislation.

REIT Exception

A trust will not be considered a SIFT trust, and therefore will not be subject to tax under the SIFT Legislation, for a taxation year if it qualifies as a "real estate investment trust" (as defined in the Tax Act) for that year (the "REIT Exception"). The REIT Exception is comprised of a number of technical tests and the determination as to whether the REIT qualifies for the REIT Exception in any particular taxation year can only be made with certainty at the end of that taxation year. On November 21, 2012, Tax Proposals with respect to the rules to qualify for the REIT Exception received their first reading in the House of Commons. If enacted as proposed, these amendments will be effective for the 2011 and all subsequent taxation years and also on an elective basis for earlier taxation years.

Based on the advice of its external tax advisor, management has advised Counsel that the REIT qualifies for the REIT Exception, as proposed to be amended, and until such time as the relevant Tax Proposals are enacted, the REIT Exception as currently enacted and that management expects that the REIT will qualify for the REIT Exception throughout 2012 and in each subsequent taxation year. The REIT also expects that each direct or indirect subsidiary of the REIT that might also qualify as a SIFT trust or SIFT partnership will qualify as an "excluded subsidiary entity", as defined in the Tax Act, throughout 2012 and subsequent taxation years. The balance of this summary assumes this to be the case. **If the REIT does not qualify, or ceases to qualify, as a real estate investment trust under the REIT Exception, or any direct or indirect subsidiary of the REIT were not to qualify as an excluded subsidiary entity, the income tax considerations described below would, in some respects, be materially and adversely different, and the SIFT Legislation may have a material adverse effect on the after-tax returns of certain Holders.**

Taxation of the REIT

The taxation year of the REIT is the calendar year. In each taxation year, the REIT generally will be subject to tax under Part I of the Tax Act on its income for the year, including net taxable capital gains for that year and its allocated share of the income from FAM LP, including rents in respect of FAM LP's portfolio of properties and any taxable capital gains and recapture of capital cost allowance arising on the disposition of property owned, directly or indirectly, by FAM LP, for the fiscal period of FAM LP ending in, or coinciding with the year end of the REIT, less the portion thereof that the REIT deducts in respect of the amounts paid or payable, or deemed to be paid or payable, to Holders in the year. An amount will be considered to be payable to a Holder in a taxation year if it is paid to the Holder in the year by the REIT or if the Holder is entitled in that year to enforce payment of the amount.

In computing its income for purposes of the Tax Act, the REIT may deduct reasonable administrative costs and other reasonable expenses incurred by it for the purpose of earning income. The REIT may also deduct from its income for the year a portion of any reasonable expenses incurred by the REIT to issue Trust Units. The portion of such issue expenses deductible by the REIT in a taxation year is 20% of such issue expenses, pro-rated where the REIT's taxation year is less than 365 days.

Having regard to the present intention of the Trustees (see "Distribution Policy", above), the REIT will make distributions in each year to Holders in an amount sufficient to ensure that the REIT generally will not be liable for tax under Part I of the Tax Act in any year (after taking into account any applicable tax refunds to the REIT and any capital gains refund (defined below) available to the REIT in connection with a redemption of Trust Units). Where income of the REIT in a taxation year exceeds the total cash distributions for that year, such excess income may be distributed to Holders in the form of additional Trust Units. Income of the REIT payable to Holders, whether in cash, additional Trust Units or otherwise, generally will be deductible by the REIT in computing its taxable income.

A distribution by the REIT of its property upon a redemption of Trust Units will be treated as a disposition by the REIT of such property for proceeds of disposition equal to the fair market value thereof. The REIT will realize a capital gain (or a capital loss) to the extent that the proceeds from the disposition of the property exceed (or are less than) the adjusted cost base of the relevant property and any reasonable costs of disposition.

Losses incurred by the REIT cannot be allocated to Holders, but can be deducted by the REIT in future years in computing its taxable income, in accordance with the rules in the Tax Act. In the event the REIT would otherwise be liable for tax on its net taxable capital gains realized by the REIT for a taxation year, it will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for such tax by an amount determined under the Tax Act based on the redemption of Trust Units during the year (the "capital gains refund"). In certain circumstances, the capital gains refund in a particular taxation year may not offset completely the REIT's tax liability for the taxation year arising in connection with the transfer of property *in specie* to redeeming Holders on the redemption of Trust Units. The Declaration of Trust provides that all or a portion of any capital gain or income realized by the REIT in connection with such redemptions may, at the discretion of the Board of Trustees, be treated as capital gains or income paid to, and designated as capital gains or income of, the redeeming Holder. Such income or the taxable portion of any capital gain so designated must be included in the income of the redeeming Holders (as income or taxable capital gains) and will be deductible by the REIT in computing its income.

Taxation of FAM LP

The fiscal period of FAM LP is the calendar year. Management has advised Counsel that it expects FAM LP to qualify as an "excluded subsidiary entity", as defined in the Tax Act, at all relevant times and, as a result, will not be subject to tax under the Tax Act (including under the SIFT Legislation). The remainder of this summary assumes that FAM LP will not be subject to tax under the SIFT Legislation. If FAM LP were subject to tax under the SIFT Legislation, the income tax considerations would be materially and adversely different from those described below.

Although FAM LP is not subject to tax under the Tax Act, each partner of FAM LP, including the REIT, is required to include in computing the partner's income the partner's share of the income or loss of FAM LP, for FAM LP's fiscal year ending in, or coinciding with, the partner's taxation year end, whether or not any such income is distributed to the partner in the taxation year. For this purpose, the income or loss of FAM LP will be computed for each fiscal period as if it were a separate person resident in Canada. Losses allocated to a limited partner are generally restricted to the limited partner's "at-risk amount", as defined in the Tax Act.

In computing the income or loss of FAM LP, deductions generally may be claimed in respect of its administrative costs and other reasonable expenses incurred by it for the purpose of earning income, including available capital cost allowance. Certain properties have been acquired by FAM LP on a tax deferred basis, whereby the tax cost of these properties is less than their fair market value. For the purposes of claiming capital cost allowance, the undepreciated capital cost of such property acquired by FAM LP may be less than the fair market value of the property. In addition, if one or more of such properties are disposed of, the gain recognized by FAM LP for tax purposes will be in excess of that which it would have realized if it had acquired the properties at a tax cost equal to their fair market values.

The income or loss of FAM LP for a fiscal period will be allocated to its partners on the basis of their respective share of such income or loss as provided in the limited partnership agreement of FAM LP, subject to the detailed rules in the Tax Act. Generally, distributions to a partner of FAM LP (including the REIT) in excess of the partner's allocated share of the income of FAM LP for a fiscal period will result in a reduction of the adjusted cost base of the partner's units in FAM LP by the amount of such excess. If the partner's adjusted cost base at the end of a taxation year of its units in FAM LP is a negative amount, the partner will be deemed to realize a capital gain in such amount for that year, and the partner's adjusted cost base at the beginning of the next taxation year of its units in FAM LP will then be nil.

Taxation of Holders

Allocation of Purchase Price

A Holder will be required to allocate the purchase price of each Offered Unit between the Trust Unit and the Warrants comprising such Offered Unit on a reasonable basis in order to determine their respective costs for purposes of the Tax Act. The REIT intends to allocate the issue price of the Offered Units between the Trust Units and the Warrants comprising the Offered Units based on information available to it on the closing of the Offering and will disclose this allocation in the notes to its financial statements for the fiscal quarter following the closing of the Offering and on its website. Any allocation made by the REIT or by a Holder is not binding on the CRA.

Exercise or Expiry of Warrants

A Holder will not realize a gain or loss upon the exercise of a Warrant. The Holder's cost of Warrant Units acquired by exercising Warrants will be equal to the aggregate of the Holder's adjusted cost base of the Warrants exercised plus the exercise price paid for the Warrant Units. The Holder's adjusted cost base of the Warrant Units so acquired will be determined by averaging the cost of those Warrant Units with the adjusted cost base (determined immediately before the acquisition of the Warrant Units) of all other Trust Units held as capital property by such Holder at the time of acquisition. In the event of the expiry of an unexercised Warrant, the Holder will realize a capital loss equal to the Holder's adjusted cost base of such Warrant. The treatment of any such capital loss is discussed below under the heading "Taxation of Capital Gains".

Disposition of Warrants

A Holder that disposes of or is deemed to have disposed of a Warrant (other than a disposition arising on the exercise or expiry of a Warrant) will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition in respect of the Warrant exceed (or are exceeded by) the aggregate of the adjusted cost base of such Warrant and any reasonable expenses associated with the disposition. The treatment of any such capital gain or capital loss is discussed below under the heading "Taxation of Capital Gains".

Trust Distributions

A Holder generally is required to include in computing income for a particular taxation year the portion of the net income of the REIT, including net taxable capital gains (determined for the purposes of the Tax Act), for the taxation year of the REIT ending on or before the particular taxation year end of the Holder, that is paid or payable, or deemed to be paid or payable, to the Holder in the particular taxation year, whether or not those amounts are received in cash, additional Trust Units or otherwise.

Provided appropriate designations are made by the REIT, net taxable capital gains realized by the REIT that are paid or become payable to a Holder will retain their character as taxable capital gains to Holders for the purposes of the Tax Act. The non-taxable portion of any net capital gains of the REIT that is paid or payable, or deemed to be paid or payable, to a Holder in a taxation year will not be included in computing the Holder's income for the year. To the extent that amounts are designated as having been paid to Holders out of the net taxable capital gains of the REIT, such designated amounts will be deemed for tax purposes to be received by Holders in the year as a taxable capital gain and will be subject to the general rules relating to the taxation of capital gains described below. Any other amount in excess of the net income and net taxable capital gains of the REIT that is paid or payable, or deemed to be paid or payable, by the REIT to a Holder in a taxation year generally will not be included in the Holder's income for the year. A Holder will be required to reduce the adjusted cost base of Trust Units by the portion of any amount (other than proceeds of disposition in respect of the redemption of Trust Units and the non-taxable portion of net capital gains) paid or payable to such Holder that was not included in computing the Holder's income and will realize a capital gain to the extent that the adjusted cost base of the Holder's Trust Units would otherwise be a negative amount.

A Holder that is a Canadian-controlled private corporation (as defined in the Tax Act) throughout its taxation year may also be liable to pay an additional refundable tax on certain investment income, including taxable capital gains. Holders should consult their own tax advisors for advice with respect to the potential application of such provisions.

Provided that appropriate designations are made by the REIT, such portions of the taxable dividends received, or deemed to be received, on shares of taxable Canadian corporations and foreign source income as are paid or payable, or deemed to be paid or payable, by the REIT to the Holders effectively will retain their character and be treated and taxed as such in the hands of the Holders for purposes of the Tax Act, and Holders may be entitled to claim a foreign tax credit for foreign taxes paid by the REIT.

Dispositions of Trust Units

On the disposition or deemed disposition of a Trust Unit by a Holder, whether on redemption or otherwise, the Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition exceed (or are less than) the aggregate of the Holder's adjusted cost base of the Trust Unit and any reasonable costs of disposition. Proceeds of disposition will not include an amount payable by the REIT that is otherwise required to be included in the Holder's income (such as an amount designated as payable by the REIT to a redeeming Holder out of capital gains or income of the REIT as described above).

For the purpose of determining the adjusted cost base to a Holder, when a Trust Unit is acquired, the cost of the newly-acquired Trust Unit will be averaged with the adjusted cost base of all of the Trust Units owned by the Holder as capital property immediately before that acquisition. The cost of a Trust Unit to a Holder will include all amounts paid by the Holder for the Trust Unit, with certain adjustments, and may be reduced by distributions received from the REIT as described above. The cost to a Holder of Trust Units received in lieu of a cash distribution of income of the REIT will be equal to the amount of such distribution that is satisfied by the issuance of such Trust Units.

A redemption of Trust Units in consideration for cash, Redemption Notes or other assets of the REIT, as the case may be, will be a disposition of such Trust Units for proceeds of disposition equal to such cash or the fair market value of such Redemption Notes or other assets, as the case may be, less any income or capital gain realized by the REIT in connection with the redemption of those Trust Units to the extent such income or capital gain is designated by the REIT to the redeeming Holder. Holders exercising the right of redemption will consequently realize a capital gain, or sustain a capital loss, depending upon whether the proceeds of disposition received exceed, or are exceeded by, the adjusted cost base of the Trust Units redeemed. Where income or a capital gain realized by the REIT in connection with the distribution of property *in specie* on the redemption of Trust Units has been designated by the REIT to a redeeming Holder, the Holder will be required to include in income the income or taxable portion of the capital gain so designated. The cost of any Redemption Notes or other property distributed *in specie* by the REIT to a Holder upon redemption of Trust Units will be equal to the fair market value of such notes or property at the time of the distribution. The Holder will thereafter be required to include in income interest or other income derived from the Redemption Notes or property, in accordance with the provisions of the Tax Act.

Taxation of Capital Gains

One-half of any capital gains realized by a Holder on a disposition, or deemed disposition of Trust Units or of Warrants, and the amount of any net taxable capital gains designated by the REIT in respect of a Holder, will be included in the Holder's income as a "taxable capital gain". One-half of any capital loss ("allowable capital loss") realized by a Holder on a disposition, or deemed disposition of Trust Units or of Warrants, generally must be deducted from taxable capital gains of the Holder in the year of disposition subject to the detailed provisions of the Tax Act. Any excess allowable capital losses over taxable capital gains realized by a Holder in a particular year may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in such years, to the extent and under the circumstances described in the Tax Act.

Where a Holder that is a corporation or a trust (other than a mutual fund trust) disposes of a Trust Unit, the Holder's capital loss from the disposition generally will be reduced by the amount of any dividends received by the REIT and previously designated by the REIT to the Holder, to the extent and under the circumstances prescribed in the Tax Act. Analogous rules apply where a corporation or trust (other than a mutual fund trust) is a member of a partnership that disposes of Trust Units.

Alternative Minimum Tax

In general terms, net income of the REIT, paid or payable, or deemed to be paid or payable, to a Holder who is an individual or trust (other than certain specified trusts), and that is designated as taxable dividends or as net taxable capital gains, and capital gains realized on the disposition of Trust Units or Warrants, may increase the Holder's liability for alternative minimum tax.

PLAN OF DISTRIBUTION

General

Pursuant to an Underwriting Agreement entered into between the REIT, Huntingdon and the Underwriters, the REIT has agreed to sell and the Underwriters have agreed to purchase on Closing, 5,880,000 Offered Units at a price of $10.00 per Offered Unit, for aggregate gross consideration of $58,800,000 payable in cash to the REIT against delivery of the Offered Units. The offering price of the Offered Units has been determined by negotiation between the REIT, Huntingdon and the Underwriters. The Offered Units will separate into Trust Units and Warrants immediately upon being issued.

Pursuant to the Underwriting Agreement, the REIT has granted to the Underwriters an option, exercisable at the Underwriters' sole option and without obligation, in whole or in part, and at any time up to 30 days after Closing to purchase (i) up to 882,000 Additional Offered Units at a price of $10.00 per Additional Offered Unit, (ii) up to 882,000 Additional Trust Units at a price of $9.89 per Additional Trust Unit, (iii) up to 220,500 Additional Warrants at a price of $0.44 per Additional Warrant, or (iv) any combination of Additional Trust Units and/or Additional Warrants so long as the aggregate number of Additional Trust Units and Additional Warrants which may be issued under the Over-Allotment Option does not exceed 15% of the aggregate number of such securities sold pursuant to the base Offering, to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public, Underwriters' fee, expenses of the Offering and net proceeds will be $67,620,000, $4,057,200, $1,917,709 and $61,645,091, respectively. This prospectus qualifies the distribution of the Over-Allotment Option and any Additional Offered Units, Additional Trust Units or Additional Warrants issuable on the exercise thereof. A purchaser who acquires securities forming part of the Underwriters' over allocation position acquires those securities under this prospectus, regardless of whether the position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised, the proceeds received by the REIT will be used by the REIT to fund growth opportunities and for working capital purposes. See "Plan of Distribution" and "Use of Proceeds".

In the Underwriting Agreement, the Underwriters have agreed, subject to compliance with all necessary legal requirements and to the conditions set forth therein, to purchase all but not less than all of the Offered Units. In consideration for their services in connection with the Offering, the REIT has agreed to pay the Underwriters a fee equal to $0.60 per Offered Unit. The REIT will also pay the Underwriters' commission in respect of Offered Units or Offered Securities sold by the REIT if the Over-Allotment Option is exercised.

The Offering is being made in each of the provinces and territories of Canada and in the U.S. in an offering to (i) qualified institutional buyers, and (ii) institutional "accredited investors", exempt from the registration requirements of the U.S. Securities Act, pursuant to Rule 144A and Rule 506 of Regulation D thereunder. The Offered Units will be offered in each of the provinces and territories of Canada through those Underwriters or their affiliates who are registered to offer the Offered Units for sale in such provinces and territories and such other registered dealers as may be designated by the Underwriters. Subject to applicable law, and residency restrictions under the Declaration of Trust, the Underwriters may offer the Offered Units outside of Canada.

There is currently no market through which the Trust Units or Warrants may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the Trust Units and/or Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Trust Units and/or Warrants, and the extent of issuer regulation. See "Risk Factors". The TSX has conditionally approved the listing of the Trust Units (including the Additional Trust Units) under the symbol "F.UN", the whole Warrants (including the whole Additional Warrants) under the symbol "F.WT" and the Warrant Units issuable on exercise of the whole Warrants (including the Additional Warrants) under the symbol "F.UN". Listing is subject to the REIT fulfilling all of the requirements of the TSX on or before March 6, 2013. See ''Plan of Distribution''.

All of the Offered Securities sold in the Offering will be freely tradable without restriction or further registration under applicable Canadian securities laws.

The obligations of the Underwriters under the Underwriting Agreement are several, are subject to certain closing conditions and may be terminated at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Offered Units if any Offered Units are purchased under the Underwriting Agreement. The Underwriters are entitled under the Underwriting Agreement to indemnification by the REIT and Huntingdon against certain liabilities and expenses.

The REIT has agreed that it will not, directly or indirectly, without the prior written consent of TD Securities Inc. and National Bank Financial Inc., on behalf of the Underwriters, issue, offer, sell, grant any option to purchase or otherwise dispose of (or announce any intention to do so) any equity securities or any securities convertible into, or exchangeable or exercisable for equity securities, for a period commencing on the date of the Underwriting Agreement and ending on the date that is 180 days after the Closing, except (a) pursuant to the exercise of convertible or exchangeable securities, options or warrants to purchase Trust Units which are outstanding on the date of the Underwriting Agreement or have been issued with the consent of TD Securities Inc. and National Bank Financial Inc., (b) upon exercise of any Warrants, (c) Trust Units issued pursuant to the DRIP and (d) Trust Units issued as full or partial consideration for direct or indirect arm's-length acquisitions of real estate assets. Huntingdon has agreed that it will not, directly or indirectly, without the prior written consent of TD Securities Inc. and National Bank Financial Inc., on behalf of the Underwriters, offer, sell, grant any option to purchase or otherwise dispose of (or announce any intention to do so) any Class B LP Units or Trust Units or securities convertible into or exchangeable for Trust Units held by them for a period commencing on the date of the Underwriting Agreement and ending on the date that is 180 days after the Closing except a transfer of Trust Units in connection with the exercise or exchange of Deferred Units issued to the Chief Executive Officer of the REIT.

This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offered Units in the United States, as defined in Regulation S under the U.S. Securities Act. The Offered Units have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, any person in the United States or any U.S. person, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. Each Underwriter has agreed that it and any U.S. registered broker-dealer affiliate of the Underwriter which conducts offers and sales in the United States will not offer or sell the Offered Units within the United States or to, or for the account or benefit of, any person in the United States or any U.S. person, except as permitted by the Underwriting Agreement. The Underwriting Agreement provides that offers and sales may be made in the United States or to, or for the account or benefit of, any person in the United States or any U.S. person, only pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. In particular, the Underwriting Agreement provides that certain of the Underwriters, through their U.S. registered broker-dealer affiliates, may (i) offer and re-sell the Offered Units, purchased from the REIT (i) to "qualified institutional buyers", as defined in Rule 144(a)(i) of the U.S. Securities Act, pursuant to Rule 144A of the U.S. Securities Act, or (ii) offer for sale the Offered Units to institutional "accredited investors" on a substituted basis to institutional accredited investors, as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D of the U.S. Securities Act, as substituted purchasers or entities owned entirely by such investors, provided such offers and sales are made in accordance with Rule 506 of Regulation D under the U.S. Securities Act; and in each case, in accordance with similar exemptions under applicable state securities laws. Moreover, the Underwriting Agreement provides that the Underwriters will offer and sell the Offered Units outside the United States only to non-U.S. persons in accordance with Rule 903 of Regulation S under the U.S. Securities Act. The Offered Units which are sold in the United States or to, or for the account or benefit of, any person in the United States or any U.S. person in reliance on exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws will contain a legend (in the case of definitive physical certificates) or restrictions (in the case of a book-entry only certificates) to the effect that the Offered Units represented thereby have not been registered under the U.S. Securities Act and may only be offered for sale pursuant to certain exemptions from the registration requirements of the U.S. Securities Act. Further, until 40 days after Closing, an offer or sale of the Offered Units within the United States by a dealer (whether or not participating in this offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from such registration requirements.

The Underwriters propose to offer the Offered Units initially at the offering price specified on the cover page of this prospectus. After the Underwriters have made a reasonable effort to sell all of the Offered Units at the price specified on the cover page, the offering price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Offered Units is less than the price paid by the Underwriters to us.

Price Stabilization, Short Positions and Passive Market Making

In connection with the Offering, the Underwriters may over-allocate or effect transactions which stabilize or maintain the market price of the Trust Units and/or the Warrants at levels other than those which otherwise might prevail on the open market, including:

- stabilizing transactions;
- short sales;
- purchases to cover positions created by short sales;
- imposition of penalty bids; and
- syndicate covering transaction.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Trust Units and/or the Warrants while the Offering is in progress. These transactions may also include making short sales of the Trust Units and/or the Warrants, which involve the sale by the Underwriters of a greater number of Trust Units and/or the Warrants than they are required to purchase in the Offering. Short sales may be "covered short sales", which are short positions in an amount not greater than the Over-Allotment Option, or may be "naked short sales", which are short positions in excess of that amount. The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Trust Units in the open market. In making this determination, the Underwriters will consider, among other things, the price of Trust Units and/or the Warrants available for purchase in the open market compared with the price at which they may purchase Trust Units and/or the Warrants through the Over-Allotment Option.

The Underwriters must close out any naked short position by purchasing Trust Units and/or the Warrants in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Trust Units and/or the Warrants in the open market that could adversely affect investors who purchase in the Offering.

In addition, in accordance with rules and policy statements of certain Canadian securities regulators, the Underwriters may not, at any time during the period of distribution, bid for or purchase Trust Units. The foregoing restriction is, however, subject to exceptions where the bid or purchase is not made for the purpose of creating actual or apparent active trading in, or raising the price of, the Trust Units. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and the applicable stock exchange, including the Universal Market Integrity Rules for Canadian Marketplaces, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution.

As a result of these activities, the price of the Trust Units may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time.

The Underwriters may carry out these transactions on any stock exchange on which the Trust Units are listed, in the over-the-counter market, or otherwise.

Over-Allotment Option

The REIT has granted to the Underwriters an option, exercisable at the Underwriters' sole option and without obligation, in whole or in part, and at any time up to 30 days after Closing to purchase (i) up to 882,000 Additional Offered Units at a price of $10.00 per Additional Offered Unit, (ii) up to 882,000 Additional Trust Units at a price of $9.89 per Additional Trust Unit, (iii) up to 220,500 Additional Warrants at a price of $0.44 per Additional Warrant, or (iv) any combination of Additional Trust Units and/or Additional Warrants so long as the aggregate number of Additional Trust Units and Additional Warrants which may be issued under the Over-

Allotment Option does not exceed 15% of the aggregate number of such securities sold pursuant to the base Offering, to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public, Underwriters' fee, expenses of the Offering and net proceeds will be $67,620,000, $4,057,200, $1,917,709 and $61,645,091, respectively. This prospectus qualifies the distribution of the Over-Allotment Option and any Additional Offered Units, Additional Trust Units or Additional Warrants issuable on the exercise thereof. A purchaser who acquires securities forming part of the Underwriters' over allocation position acquires those securities under this prospectus, regardless of whether the position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Commissions and Expenses

The following table shows the per Offered Unit and total Underwriters' commission the REIT will pay to the Underwriters, assuming both no exercise and full exercise of the Underwriters' Over-Allotment Option:

	Over-Allotment Not Exercised	**Over-Allotment Fully Exercised**
Per Offered Unit	$0.60	$0.60
Total	$3,528,000	$4,057,200

It is estimated that the total expenses of the Offering, not including the Underwriters' commission, will be $1,917,709.

Book-Based System

Subscriptions for the Offered Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Offering will be conducted under the book-based system. A subscriber who purchases Offered Units under the book based system will receive customer confirmation from the registered dealer from or through whom Offered Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Offered Units on behalf of owners who have purchased Offered Units in accordance with the book-based system.

Relationship Between the REIT and Certain Underwriters

TD Securities Inc. is an affiliate of a Canadian chartered bank that has committed to provide to the REIT the Revolving Credit Facility at Closing. See "Debt Strategy – Revolving Credit Facility". Consequently, the REIT may be considered a "connected issuer" of TD Securities Inc. under applicable Canadian securities laws. The decision to issue the Trust Units and the determination of the terms of the Offering were made through negotiation between the REIT, Huntingdon and the Underwriters. The Canadian chartered banks of which such Underwriters are affiliates did not have any involvement in such decision or determination. As a consequence of the Offering, each of such Underwriters will receive its proportionate share of the Underwriters' fee. See "Use of Proceeds".

USE OF PROCEEDS

The net proceeds from the Offering, without giving effect to the Over-Allotment Option, but after deducting the expenses of the Offering, will be approximately $53.4 million. The proceeds will be used by the REIT to indirectly acquire the Initial Properties from Huntingdon through the acquisition of (i) all issued and outstanding Class A LP Units of FAM LP not already held by the REIT for consideration in the amount of approximately $17.4 million, and (ii) the FAM LP Note for consideration in the amount of $31.1 million. The purchase price otherwise payable by the REIT for the Initial Properties has been reduced by $4.9 million and, on Closing, the REIT will retain such amount to fund the Interest Rate Subsidy and the Capital Expenditure Subsidy.

The net proceeds from the issue of Offered Units on exercise of the Over-Allotment Option will be used by the REIT to fund growth opportunities and for working capital purposes.

RISK FACTORS

Investing in Offered Securities involves a high degree of risk. In addition to the other information contained in this prospectus, you should carefully consider the following risk factors before purchasing Offered Securities. The occurrence of any of the following risks could materially and adversely affect the REIT's investments, prospects, cash flows, results of operations or financial condition and the REIT's ability to make cash distributions to Unitholders. In that event, the value of the Offered Securities could decline and investors may lose all or part of their investment. Although the REIT believes that the risk factors described below are the most material risks that the REIT will face, they are not the only risks. Additional risk factors not presently known or that are currently believed to be immaterial could also materially adversely affect investments, prospects, cash flows, results of operations or financial condition and the REIT's ability to make cash distributions to Unitholders and adversely affect the value of the Offered Securities.

Risk Factors Related to the Real Estate Industry

Real Property Ownership and Tenant Risks

The REIT owns the Initial Properties and is expected in the future to acquire interests in other real property. All real property investments are subject to elements of risk. By specializing in particular types of real estate, the REIT is exposed to adverse effects on those segments of the real estate market. In addition, 59% of the total GLA and 53% of the forecast NOI of the Initial Properties is located in Manitoba. As a result, the REIT is impacted by factors specifically affecting the real estate markets in Manitoba and the Manitoba economy generally. These factors may differ from those affecting other regions of Canada. If conditions in Manitoba were to decline relative to conditions in other regions, this could more adversely impact the REIT's revenues and results of operations.

The value of real property and any improvements thereto depends on the credit and financial stability of tenants, and upon the vacancy rates of the properties. AFFO will be adversely affected if a significant number of tenants are unable to meet their obligations under their leases or if a significant amount of available space in the properties in which the REIT will have an interest become vacant and are not able to be leased on economically favourable lease terms.

The Initial Properties generate income through rent payments made by the REIT's tenants. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to the REIT than the existing lease. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting the REIT's investment may be incurred. Furthermore, at any time, a tenant of any of the properties in which the REIT has an interest may seek the protection of bankruptcy, insolvency or similar laws that could result in the disclaimer and termination of such tenant's lease, any of which events could have an adverse effect on the REIT's financial condition and results of operations and decrease the amount of cash available for distribution to Unitholders. The ability to rent unleased space in the properties in which the REIT will have an interest will be affected by many factors, including general economic conditions, local real estate markets, changing demographics, supply and demand for leased premises, competition from other available premises and various other factors, many of which are beyond the REIT's control.

Fixed Costs

The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on the REIT's financial condition and results of operation and decrease the amount of cash available for distribution to Unitholders. Certain significant expenditures, including property taxes, ground rent, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether a property is producing any income. If the REIT is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale or the landlord's exercise of remedies. Costs may also be incurred in making improvements or repairs to property required by a new tenant and income may be lost as a result of any prolonged delay in attracting suitable tenants to the vacant space.

The timing and amount of capital expenditures by the REIT will indirectly affect the amount of cash available for distribution to Unitholders. Distributions may be reduced, or even eliminated, at times when the REIT deems it necessary to make significant capital or other expenditures.

Liquidity

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may limit the REIT's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the REIT were to be required to liquidate its real property investments quickly, there is a risk the proceeds realized by the REIT from such sale might be significantly less than the aggregate carrying value of its properties which could have an adverse effect on the REIT's financial condition and results of operation and decrease the amount of cash available for distribution to Unitholders.

Competition

The real estate business is competitive. Numerous other developers, managers and owners of industrial, office and retail properties will compete with the REIT in seeking tenants. Some of the properties located in the same markets as the REIT's properties are newer and better located than the REIT's properties. Some property owners with properties located in the same markets as the REIT's properties may be better capitalized and may be stronger financially and hence better able to withstand an economic downturn. The existence of developers, managers and owners in such markets and competition for the REIT's tenants could have a negative effect on the REIT's ability to lease space in its properties in such markets and on the rents charged or concessions granted, which could have an adverse effect on the REIT's financial condition and results of operation and decrease the amount of cash available for distribution to Unitholders.

Competition for acquisitions of real properties can be intense and some competitors may have the ability or inclination to acquire properties at a higher price or on terms less favourable than those that the REIT may be prepared to accept. An increase in the availability of investment funds, an increase in interest in real property investments or a decrease in interest rates may tend to increase competition for real property investments, thereby increasing purchase prices and reducing the yield on them.

Current Economic Environment

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

Risk Factors Related to the Business of the REIT

Acquisitions

The REIT's business plan includes growth through identifying suitable acquisition opportunities, pursuing such opportunities, consummating acquisitions and effectively operating and leasing such properties. If the REIT is unable to manage its growth effectively, it could adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution to Unitholders. There can be no assurance as to the pace of growth through property acquisitions or that the REIT will be able to acquire assets on an accretive basis, and as such there can be no assurance that distributions to Unitholders will be maintained in the future.

Acquisitions may be subject to unknown, unexpected or undisclosed liabilities which could have a material adverse impact on the operations and financial results of the REIT. Representations and warranties given by third parties to the REIT may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties.

Moreover, acquired properties may not meet expectations of operational or financial performance due to unexpected costs associated with developing an acquired property, as well as the general investment risks inherent in any real estate investment.

Access to Capital

The real estate industry is highly capital intensive. The REIT will require access to capital to maintain its properties, as well as to fund its growth strategy and significant capital expenditures from time to time. There can be no assurances that the REIT will otherwise have access to sufficient capital or access to capital on terms favourable to the REIT for future property acquisitions, financing or refinancing of properties, funding operating expenses or other purposes. Failure by the REIT to access required capital could adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

Financing Risks

The REIT expects to have outstanding in place mortgages of approximately $93.7 million, a VTB Note of approximately $9.2 million, and a $6.2 million draw from the Revolving Credit Facility. There can be no assurance that the REIT will continue to generate sufficient cash flow from operations to meet required interest and principal payments on its outstanding debt. If the REIT is unable to meet interest or principal payments, it could be required to seek renegotiation of such payments or obtain additional equity, debt or other financing. The failure of the REIT to make or renegotiate interest or principal payments or obtain additional equity, debt or other financing could adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution to Unitholders.

The REIT will be subject to the risks associated with debt financing, including the risk that the mortgages and banking facilities secured by the REIT's properties will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness, which may reduce AFFO. In order to minimize this risk, the REIT will attempt to diversify the term structure of its debt so that in no one year a disproportionate amount of its debt matures. To the extent the REIT incurs variable rate indebtedness, including pursuant to the Revolving Credit Facility, this will result in fluctuations in the REIT's cost of borrowing as interest rates change. This risk however is mitigated through the Interest Rate Subsidy which is intended to fix the blended cash interest rate for the mortgages on the Initial Properties to 4.5% for the next five years. To the extent that interest rates rise following Closing, the REIT's operating results and financial condition could be adversely affected and decrease the amount of cash available for distribution.

The REIT's credit facilities are also expected to contain covenants that require it to maintain certain financial ratios on a consolidated basis. If the REIT does not maintain such ratios, its ability to make distributions may be limited.

Environmental Matters

Environmental legislation and regulations have become increasingly important in recent years. As an owner of interests in real property in Canada, the REIT will be subject to various Canadian federal, provincial and municipal laws relating to environmental matters. Such laws provide that the REIT could be, or become, liable for environmental harm, damage or costs, including with respect to the release of hazardous, toxic or other regulated substances into the environment, and the removal or other remediation of hazardous, toxic or other regulated substances that may be present at or under its properties. Further, liability may be incurred by the REIT with respect to the release of such substances from the REIT's properties to properties owned by third parties, including properties adjacent to the REIT's properties. The discovery of any such pollution on the sites and/or in the buildings, particularly in connection with the lease or sale of properties or borrowing using the real estate as security, could trigger claims for rent reductions or termination of leases for cause, for damages and other breach of warranty claims against us. The remediation of any pollution and the related additional measures the REIT would have to undertake could have a materially adverse affect on the REIT and could involve considerable additional costs that the REIT may have to bear. The REIT will also be exposed to the risk that recourse against the polluter or the previous owners of the properties might not be possible, for example, because they cannot be identified, no longer exist or have become insolvent. Moreover, the existence or even the mere suspicion of the existence of ground contamination, hazardous materials or other residual pollution can materially adversely affect the REIT's ability to sell such property, realize the full value of such property or borrow using such property as collateral security, and could potentially result in claims against the REIT by public or private parties by way of civil action.

The REIT's operating policy is to obtain a Phase I environmental site assessment, conducted by an independent and experienced environmental consultant, prior to acquiring a property and to have Phase II environmental site assessment work completed where recommended in a Phase I environmental site assessment. Although such environmental site assessments would provide the REIT with some level of assurance about the condition of property, the REIT may become subject to liability for undetected contamination or other environmental conditions at its properties against which the REIT cannot insure, or against which the REIT may elect not to insure, which could negatively impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

Pursuant to the Phase I ESA Reports that were completed in connection with the Offering, certain management plans were recommended for each of the Initial Properties and Phase II ESAs were recommended for 11 of the Initial Properties. For three of the Initial Properties, the Phase II ESAs and/or the environmental reports identified the need to develop a RAP and/or a risk management plan. The Phase II ESA's for three of the Initial Properties identified the presence of chlorinated solvents, free-phase products and/or elevated concentrations of PHC and/or BTEX and recommended that further work and analysis be undertaken. As a result of this additional analysis, the detailed screening level evaluations of human health and ecological risks related to chemical concentrations in soil and/or groundwater identified certain potential unacceptable health and ecological risks under existing conditions. However, the independent environmental consultant concluded that, provided the measures identified in the RAP's, the recommended risk management plans and in the environmental reports are put in place, the impacts do not pose undue ecological or human health risks and that there are no material concerns to off-site water bodies or off-site residential properties. The independent environmental consultant is developing such risk management plans, which involves conducting indoor air quality testing, implementing suitable measures to improve air quality and regular indoor air quality and groundwater monitoring at the properties, which Huntingdon will begin implementing as soon as possible. Removal of free-phase products from the groundwater and the implementation of a monitoring program were also recommended. As a result, it is possible that the REIT may be required to conduct further remediation activities (including soil and groundwater remediation) going forward. In addition, there is no assurance that the chemicals, contaminants, substances and/or products identified above have not migrated off-site, including to neighbouring properties and off-site water bodies. Although Huntingdon is required to indemnify the REIT for any such remediation costs as well as for any claims, damages or losses suffered by the REIT relating to certain environmental matters, there is no assurance that Huntingdon will be able to satisfy its obligation at the relevant time. In addition, the indemnity from Huntingdon will only survive for a period of three years following Closing. As a result, the existence of any material environmental issues could have a material adverse effect on the business, financial condition or results of the REIT.

Although the REIT is not aware of any material non-compliance with environmental laws at any of the Initial Properties, and is not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of the Initial Properties, there is no assurance that this will continue to be the case.

The REIT will implement policies and procedures to assess, manage and monitor environmental conditions at its properties to minimize exposure to liability. The REIT will not be covered by environmental liability insurance, since insurance premium costs associated with insuring against environmental risks (including liability for pollution) or other hazards resulting from the nature of the REIT's business are considered by management to be disproportionate to the assessed risk. The lack of environmental insurance coverage could have an adverse impact on the REIT's future cash flows, earnings, results of operations and financial condition.

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

Jointly Owned Property

One of the Initial Properties is jointly owned. In making a joint ownership investment, there is a risk that the REIT may incur a loss if the co-owner is unable to fulfil its obligations. Further, the joint venture agreement contains rights of first refusal and other buy-sell provisions. Depending on the circumstances, if it is not deemed appropriate for the REIT to purchase the interest of the co-owner, such provisions may necessitate that the REIT's interest in such property be disposed. The timing of any such disposition may not be under the control of the REIT and could have a material adverse effect on the financial condition and results of operations of the REIT.

Third-Party Approvals

While all consents of a material nature are expected to be obtained on or prior to closing, certain consents or approvals deemed expedient in connection with the initial public offering transactions may not yet have been obtained at the time of closing and the consents obtained may be subject to conditions that are required to be fulfilled following closing. Additionally, third-parties may request certain consents or approvals that were not considered to be necessary in connection with the Offering. To the extent such approvals are not obtained or conditions relating thereto are not fulfilled, third-parties may claim for breach of contract or other damages, including the return of the Initial Properties affected to Huntingdon. While management believes the risks related to third-party approvals are minimal, should any such claim be successful, an adverse impact could result to the REIT's financial condition and results of operation and decrease the amount of cash available for distribution.

There are certain risks associated with having single tenant properties

908,479 square feet of GLA of the Initial Properties is occupied by single tenants. The table below illustrates the largest five tenants of the Initial Properties based on forecast in place rent for 2013:

% In-Place Tenant Base Rent	
Northern Group Retail Ltd.	11.2%
Public Works and Government Services Canada	10.4%
Aditya Birla Minacs Worldwide Inc.	10.0%
Leader Energy Services Ltd.	8.4%
Province of Manitoba	8.3%

In the event that the above-listed tenants were to terminate their tenancies or become insolvent, the REIT's financial results would be materially adversely affected. Until such a time that the REIT will be in a position to acquire more assets and further diversify its tenant base, the REIT will take certain steps to mitigate any credit risk by closely monitoring its tenants' compliance with the terms of their respective leases and to report any issues as soon as they are identified.

Potential Conflicts of Interest

The Trustees will, from time to time, in their individual capacities, deal with parties with whom the REIT may be dealing, or may be seeking investments similar to those desired by the REIT. The interest of these persons could conflict with those of the REIT. The Declaration of Trust contains conflict of interest provisions requiring the Trustees to disclose their interests in certain contracts and transactions and to refrain from voting on those matters. See "Trustees and Management of the REIT — Conflicts of Interest".

Conflicts may exist due to the fact that certain Trustees of the REIT will be affiliated with Huntingdon. The REIT and Huntingdon will enter into certain arrangements, including those relating to the Management Agreement and the ROFO Agreement. Huntingdon and its affiliates are engaged in a wide variety of real estate activities. The REIT may become involved in transactions that conflict with the interests of the foregoing.

General Insured and Uninsured Risks

The business carried on by the REIT entails an inherent risk of liability. The REIT expects that from time to time it may be subject to lawsuits as a result of the nature of its business. The REIT will carry comprehensive general liability, property, boiler and machinery, fire, flood, extended coverage, rental loss insurance and other similar coverages with customary policy specifications, limits and deductibles. The REIT will have insurance for earthquake risks, subject to certain policy limits and deductibles, and will continue to carry such insurance if it is economical to do so. There can be no assurance, however, that claims in excess of the insurance coverage or claims not covered by the insurance coverage will not arise or that the liability coverage will continue to be available on acceptable terms. A successful claim against the REIT not covered by, or in excess of, the REIT's insurance could have a material adverse effect on the REIT's business, operating results and financial condition. Claims against the REIT, regardless of their merit or eventual outcome, also may have a material adverse effect on their ability to attract tenants or expand their businesses, and will require management to devote time to matters unrelated to the operation of the business.

Financial Forecast

The forecast results contained in this prospectus were prepared using assumptions that reflect the REIT's management's intended course for the periods covered, given the judgment of management of the REIT as to the most probable set of economic conditions. There can be no assurance that the assumptions reflected in the forecast will prove to be accurate. Actual results for the forecast period may vary from the forecast results and those variations may be material. There is no representation by the REIT that actual results achieved in the forecast period will be the same, in whole or in part, as those forecasted herein. See "Forward-Looking Statements".

Land Leases

One of the Initial Properties is located on leased land and the land leases may be subject to periodic rate resets which may fluctuate and may result in significant rental rate adjustments which would adversely impact the REIT's financial condition and results of operation and decrease the amount of cash available for distribution. Land leases may also be terminated or not renewed upon expiry.

Reliance on Key Personnel

The management and governance of the REIT depends on the services of certain key personnel, including officers of Huntingdon and the Trustees. The loss of the services of any key personnel could have an adverse effect on the REIT and adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

Limit on Activities

In order to maintain its status as a "mutual fund trust" under the Tax Act, the REIT cannot carry on most active business activities and is limited in the types of investments it may make. The Declaration of Trust contains restrictions to this effect.

Occupancy by Tenants

Although certain, but not all, leases contain a provision requiring tenants to maintain continuous occupancy of leased premises, there can be no assurance that such tenants will continue to occupy such premises. Certain tenants have a right to terminate their leases upon payment of a penalty but others are not required to pay any penalty associated with an early termination. There can be no assurance that tenants will continue their activities and continue occupancy of the premises. Any cessation of occupancy by tenants may have an adverse effect on the REIT and could adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

Forecasted Occupancy Rates and Revenues in Excess of Historical Occupancy Rates and Revenues

Historical occupancy rates and revenues are not necessarily an accurate prediction of the future occupancy rates for the Initial Properties or revenues to be derived therefrom. There can be no assurance that, upon the expiry or termination of the leases currently in effect, the average occupancy rates and revenues will be the same as, or higher than, historical occupancy rates and revenues.

Lease Renewals and Rental Increases

Expiries of leases for the REIT's properties, including those of significant tenants, will occur from time to time over the short and long-term. No assurance can be provided that the REIT will be able to renew any or all of the leases upon their expiration or that rental rate increases will occur or be achieved upon any such renewals. The failure to renew leases or achieve rental rate increases may adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

Huntingdon Indemnity and Prior Commercial Operations

The indirect acquisition of the Initial Properties by the REIT, as described under "The Acquisition", will include the acquisition by the REIT from Huntingdon of all of the outstanding Class A LP Units of FAM LP. Pursuant to the Acquisition Agreement, Huntingdon will make certain representations and warranties to the REIT with respect to FAM LP and the Initial Properties. Huntingdon will also provide an indemnity to the REIT under the Acquisition Agreement which will provide, subject to certain conditions and thresholds, that Huntingdon will indemnify the REIT for breaches of such representations and warranties. There can be no assurance that the REIT will be fully protected in the event of a breach of such representations and warranties or that Huntingdon will be in a position to indemnify the REIT if any such breach occurs. The REIT may not be able to successfully enforce the indemnity contained in the Acquisition Agreement against Huntingdon or such indemnity may not be sufficient to fully indemnify the REIT from third party claims.

External Management Arrangements

The REIT will rely on Huntingdon to act as manager of the wholly owned Initial Properties. Consequently, the REIT's ability to achieve its investment objectives depends in large part on Huntingdon. This means that the REIT's investments are dependent upon Huntingdon's business contacts, its ability to successfully hire, train, supervise and manage its personnel and its ability to maintain its operating systems. If the REIT were to lose the services provided by Huntingdon or its key personnel, the REIT's investments and growth prospects may significantly decline. The REIT may be unable to duplicate the quality and depth of management available to it by becoming a self-managed company or by hiring another asset manager. Prospective investors should not purchase any Offered Securities unless they are prepared to rely on the REIT's Board of Trustees, executive officers and Huntingdon.

Although the Asset Management Agreement provides that Huntingdon will automatically be re-engaged at the expiration of each term (subject to certain termination provisions), Huntingdon has the right, at any time, but upon 180 days' notice, to terminate the Management Agreement for any reason. The Management Agreement may also be terminated in other circumstances, such as upon the occurrence of an event of default within the meaning of such agreement. Accordingly, there can be no assurance that Huntingdon will continue to be the REIT's manager. If Huntingdon should cease for whatever reason to be the REIT's manager, the cost of obtaining substitute services may be greater than the fees the REIT will pay Huntingdon under the Management Agreement, and this may materially adversely affect the REIT's ability to meet its objectives and execute its strategy which could materially adversely affect the REIT's cash flows, operating results and financial condition.

Risk Factors Related to the Offering

Cash Distributions are Not Guaranteed

The REIT's distribution policy will be established in the Declaration of Trust and may only be changed with the approval of a majority of Unitholders. However, the Board of Trustees may reduce or suspend cash distributions indefinitely, which could have a material adverse effect on the market price of the Offered Securities.

There can be no assurance regarding the amount of income to be generated by the REIT's properties. The ability of the REIT to make cash distributions, and the actual amount distributed, will be entirely dependent on the operations and assets of the REIT, and will be subject to various factors including financial performance, obligations under applicable credit facilities, fluctuations in working capital, the sustainability of income derived from the tenant profile of the REIT's properties and capital expenditure requirements. Distributions may be increased, reduced or suspended entirely depending on the REIT's operations and the performance of the REIT's assets. The market value of the Offered Securities will deteriorate if the REIT is unable to meet its distribution targets in the future, and that deterioration may be significant. In addition, the composition of cash distributions for tax purposes may change over time and may affect the after-tax return for investors. See "Certain Canadian Federal Income Tax Considerations".

Taxation of Mutual Fund Trusts

Should the REIT cease to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the headings "Eligibility for Investment" and "Certain Canadian Federal Income Tax Considerations" would be materially and adversely different.

REIT Exception

The REIT will not be considered a SIFT trust, and therefore will not be subject to tax under the SIFT Legislation, for a taxation year if it satisfies the REIT Exception for that year. The REIT Exception is comprised of a number of technical tests and the determination as to whether the REIT qualifies for the REIT Exception in any particular taxation year can only be made with certainty at the end of that taxation year. On October 24, 2012, the Minister of Finance (Canada) announced amendments and clarifications to the REIT Exception. Management of the REIT believes that the REIT qualifies for the REIT Exception, as proposed to be amended, and until such time as the Tax Proposals are enacted, the REIT Exception as currently enacted, and management expects that the REIT will qualify for the REIT Exception throughout 2012 and in each subsequent taxation year. There can be no assurance that the October 24, 2012 proposed amendments will be enacted as proposed or at all. Furthermore, no assurances can be given that future investments or activities undertaken by the REIT will not result in the REIT failing to qualify for the REIT Exception in 2012 or any subsequent taxation year.

The REIT also expects that each direct or indirect subsidiary of the REIT that might also qualify as a SIFT trust or SIFT partnership will qualify as an "excluded subsidiary entity", as defined in the Tax Act, (and, therefore, not be subject to tax under the SIFT Legislation) throughout 2012 and subsequent taxation years.

The likely effect of the application of the SIFT Legislation to the REIT or its Subsidiaries on the market for Trust Units and on the REIT's ability to finance future acquisitions through the issue of Trust Units or other securities is unclear. If tax under the SIFT Legislation applies to the REIT or its Subsidiaries, it may adversely affect the marketability of the Trust Units, the amount of cash available for distributions and the after-tax return to investors.

Change of Tax Laws

There can be no assurance that Canadian tax laws, the judicial interpretation thereof, the terms of any income tax treaty applicable to the REIT or its affiliates or the administrative and assessing practices and policies of the CRA or the Minister of Finance (Canada) will not change in a manner that adversely affects the REIT, its affiliates or Unitholders. Any such change could affect the REIT's eligibility for the REIT Exception, increase the amount of tax payable by the REIT or its affiliates, or otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to Unitholders in respect of such distributions.

Restrictions on Redemptions

The entitlement of Unitholders to receive cash upon the redemption of their Trust Units is subject to the following limitations: (i) the total amount payable by the REIT in respect of such Trust Units and all other Trust Units tendered for redemption in the same calendar month must not exceed $50,000 (provided that such limitation may be waived at the discretion of the Trustees); (ii) at the time such Trust Units are tendered for redemption, the outstanding Trust Units must be listed for trading on a stock exchange or traded or quoted on another market which the Trustees consider, in their sole discretion, provides fair market value prices for the Trust Units; (iii) the trading of Trust Units is not suspended or halted on any stock exchange on which the Trust Units are listed (or, if not listed on a stock exchange, on any market on which the Trust Units are quoted for trading) on the Redemption Date for more than five trading days during the 10-day trading period commencing immediately after the Redemption Date; and (iv) the redemption of the Trust Units must not result in the delisting of the Trust Units on the principal stock exchange on which the Trust Units are listed.

Potential Volatility of Trust Unit Prices

One of the factors that may influence the market price of the Trust Units is the annual yield on the Trust Units. An increase in market interest rates may lead purchasers of Trust Units to demand a higher annual yield, which accordingly could adversely affect the market price of the Trust Units. In addition, the market price of the Trust Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors beyond the control of the REIT.

Nature of Investment

A holder of a Trust Unit of the REIT does not hold a share of a body corporate. As holders of Trust Units of the REIT, the Unitholders will not have statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. The rights of Unitholders are based primarily on the Declaration of Trust. There is no statute governing the affairs of the REIT equivalent to the CBCA which sets out the rights and entitlements of shareholders of corporations in various circumstances. As well, the REIT may not be a recognized entity under certain existing insolvency legislation such as the *Bankruptcy and Insolvency Act* (Canada) and the *Companies Creditors' Arrangement Act* (Canada) and thus the treatment of Unitholders upon an insolvency is uncertain.

Availability of Cash Flow

AFFO may exceed actual cash available to the REIT from time to time because of items such as principal repayments, and tenant allowances, leasing costs and capital expenditures in excess of stipulated reserves indentified by the REIT in its calculation of AFFO and redemptions of Trust Units, if any. The REIT may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items.

Dilution

The number of Trust Units the REIT is authorized to issue is unlimited. The REIT may, in its sole discretion, issue additional Trust Units from time to time, and the interests of the holders of Trust Units may be diluted thereby.

Absence of a Prior Public Market and Determination of Offering Price

As at the date of this prospectus, there is currently no public market for the Trust Units or the Warrants. The initial offering price of the Offered Securities was determined by negotiation between the REIT, Huntingdon and the Underwriters. The REIT cannot predict at what price the Trust Units or the Warrants will trade and there can be no assurance that an active trading market will develop after the Offering or, if developed, that such a market will be sustained at the price level of the Offering.

A publicly traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Accordingly, the Trust Units may trade at a premium or a discount to values implied by the Appraisal. The market price of the Trust Units and Warrants is subject to wide fluctuations.

Exercise of Warrants Following Certain Transactions

Following the occurrence of certain transactions, each whole Warrant will cease to be exercisable for Warrant Units and will instead become exercisable for the securities, cash or property receivable by a holder of Trust Units in the kind and amount of securities, cash or property into which the whole Warrant was exercisable immediately prior to the transaction. This change could substantially reduce or eliminate the value of the Warrants in the future.

Historical carve-out financial information and pro forma financial information may not be indicative of future results

The historical carve-out financial information relating to the Initial Properties included in this prospectus has been derived on a carve-out basis from Huntingdon's historical accounting records. The REIT believes that management of Huntingdon has made reasonable assumptions underlying the carve-out financial statements. However, the carve-out financial statements may not reflect what our financial position, results of operations or cash flows would have been had the REIT owned the Initial Properties during the historical periods presented or what the REIT financial position, results of operations or cash flows will be in the future. The carve-out financial statements do not contain any adjustments to reflect changes that may occur in our cost structure, financing and operations as a result of the acquisition of the Initial Properties. In preparing the pro forma financial information included in this prospectus, the REIT has given effect to, among other items, the Offering and the closing of the Acquisition. The estimates used in the financial information may not be similar to the REIT's actual experience.

Indirect Ownership of Trust Units by Huntingdon

On Closing, Huntingdon will hold an approximate 30% economic interest in the REIT (an approximate 27% interest if the Over-Allotment Option is exercised in full) through the ownership of Class B LP Units. Pursuant to the Exchange Agreement, each Class B LP Unit will be exchangeable at the option of the holder for one Trust Unit of the REIT and will be attached to a Special Voting Unit of the REIT, providing for voting rights in the REIT. Furthermore, pursuant to the Declaration of Trust, Huntingdon will be entitled to nominate a certain number of Trustees based on the percentage of Trust Units held by it. See "Declaration of Trust — Trust Units, Special Voting Units and Preferred Units" and "Trustees and Management of the REIT — Governance and Board of Trustees". Thus, Huntingdon will be in a position to exercise a certain influence with respect to the affairs of the REIT. If Huntingdon reduces its ownership interest in the REIT, the market price of the Trust Units could fall. The perception among the public that these sales may occur could also produce such effect.

MATERIAL CONTRACTS

The following are the only material agreements that will be in effect on Closing, other than contracts entered into in the ordinary course of business, entered into during the past two years or proposed to be entered into by the REIT:

(a) the Declaration of Trust described under "Declaration of Trust";

(b) the Acquisition Agreement described under "The Acquisition – Acquisition Agreement";

(c) the FAM LP Agreement described under "FAM LP";

(d) the Underwriting Agreement described under "Plan of Distribution";

(e) the Management Agreement described under "Management of the REIT";

(f) the Revolving Credit Facility described under "Debt Strategy – Revolving Credit Facility";

(g) the Exchange Agreement described under "Retained Interest – Exchange Agreement";

(h) the ROFO Agreement described under "Retained Interest – Right of First Offer"; and

(i) the Warrant Indenture described under "The Warrant Indenture".

Copies of the foregoing documents and the Appraisal will be available on SEDAR at www.sedar.com.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of the Trustees or officers of the REIT, any Unitholder that beneficially owns more than 10% of the Trust Units of the REIT or any associate or affiliate of any of the foregoing persons in any transaction within the last three years or any proposed transaction that has materially affected or would materially affect the REIT or any of its Subsidiaries, except for:

(a) the acquisition by the REIT of the Initial Properties. See "The Acquisition";

(b) the arrangements contained in the Management Agreement. See "Management of the REIT"; and

(c) the arrangements contained in the ROFO Agreement. See "Retained Interest – Right of First Offer".

PROMOTER

Huntingdon has taken the initiative in founding and organizing the REIT and may therefore be considered a promoter of the REIT for the purposes of applicable securities legislation.

PRINCIPAL UNITHOLDER

On Closing, Huntingdon is expected to hold an approximate 30% indirect voting interest in the REIT (approximately 27% if the Over-Allotment Option is exercised in full) through ownership of Class B LP Units and Special Voting Units. See "Retained Interest". To the knowledge of the Trustees and management of the REIT, no person or company other than Huntingdon will own, directly or indirectly, more than 10% of the Trust Units of the REIT following Closing.

In addition to the Deferred Shares and Deferred Units to be issued to the Chief Executive Officer as described under "Executive Compensation", to further provide the Chief Executive Officer with a strong link to the long-term performance and the creation of unitholder value, Mr. Poladian, on Closing, will acquire $100,000 (face value) of Trust Units pursuant to the Offering and will commit to purchase an additional $400,000 (face value) of Trust Units over the three year period following Closing.

PRIOR SALES

On August 27, 2012, the REIT was formed and one Trust Unit was issued for $10.00.

SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Pursuant to the Acquisition Agreement, Huntingdon has agreed to retain 2,513,700 Class B LP Units (which Class B LP Units are expected to represent an approximate 30% ownership interest in the REIT calculated as of Closing) for a minimum of six months following Closing and thereafter to retain 1,678,740 Class B LP Units (which represent an approximate 20% ownership interest in the REIT calculated as of Closing) for a minimum of 24 months following Closing, subject to dilution and customary exceptions including transfers of Trust Units in connection with the exercise or exchange of Deferred Units issued to the Chief Executive Officer of the REIT. See "The Acquisition – Acquisition Agreement".

LEGAL PROCEEDINGS

None of the REIT or its Subsidiaries is involved in any outstanding, threatened or pending litigation that would have a material effect on the REIT.

EXPERTS

The matters referred to under "Eligibility for Investment" and "Certain Canadian Federal Income Tax Considerations", as well as certain other legal matters relating to the issue and sale of the Trust Units, will be passed upon on behalf of the REIT by Goodmans LLP and on behalf of the Underwriters by McCarthy Tétrault LLP.

Certain information relating to the Appraisal has been based upon reports by CBRE Limited.

As of the date of this prospectus, the partners and associates of Goodmans LLP and McCarthy Tétrault LLP and the designated professionals of CBRE Limited responsible for preparation of the Appraisal, beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the REIT.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the REIT are KPMG LLP, Chartered Accountants, Winnipeg, Manitoba and are independent in accordance with the rules of professional conduct of the Institute of Chartered Accountants in Manitoba. The warrant agent, transfer agent and registrar, as applicable, for the Offered Securities is Computershare Trust Company of Canada at its principal office in Toronto, Ontario and Vancouver, British Columbia.

PURCHASERS' STATUTORY RIGHTS

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

AUDITORS' CONSENT

We have read the prospectus of FAM Real Estate Investment Trust (the "REIT") dated December 17, 2012 relating to the qualification for distribution of units ("Offered Units") of the REIT. Each Offered Unit consists of one trust unit of the REIT and one quarter of one trust unit purchase warrant of the REIT. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the inclusion in the above-mentioned prospectus of:

- our report to the Board of Trustees of the REIT on the statement of financial position of the REIT at August 27, 2012, and the statement of changes in unitholder's equity and the statement of cash flows for the one day period ended August 27, 2012, and notes, comprising a summary of significant accounting policies and other explanatory information, which is dated December 17, 2012;

- our report to the Directors of Huntingdon Capital Corp. on the combined statements of financial position of Huntingdon Capital Corp. Stabilized Properties as at December 31, 2011, December 31, 2010 and January 1, 2010, and the combined statements of income and comprehensive income, divisional surplus and cash flows for the years ended December 31, 2011 and December 31, 2010, and notes, comprising a summary of significant accounting policies and other explanatory information, which is dated December 17, 2012;

- our report to the Directors of Huntingdon Capital Corp. on the combined balance sheets of Huntingdon Capital Corp. Stabilized Properties as at December 31, 2010 and December 31, 2009, and the combined statements of income and comprehensive income, divisional surplus and cash flows for the years ended December 31, 2010 and December 31, 2009, and notes, comprising a summary of significant accounting policies and other explanatory information, which is dated December 17, 2012; and

- our report to the Board of Trustees of the REIT on the consolidated statements of forecasted net income and comprehensive income of the REIT for each of the three month periods ending March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013 and the twelve month period ending December 31, 2013, and notes, comprising a summary of significant accounting policies and other explanatory information, which is dated December 17, 2012.

(signed) KPMG LLP
Chartered Accountants
Winnipeg, Canada

December 17, 2012

GLOSSARY OF TERMS

"**Acquisition**" has the meaning ascribed thereto under "The Acquisition";

"**Acquisition Agreement**" means the agreement of purchase and sale to be entered into on Closing between the REIT, FAM LP and Huntingdon, as described under "The Acquisition — Acquisition Agreement";

"**Additional Offered Units**" means the additional Offered Units, if any, issued pursuant to the Over-Allotment Option;

"**Additional Trust Units**" means the additional Trust Units, if any, issued pursuant to the Over-Allotment Option;

"**Additional Warrants**" means the additional Warrants, if any, issued pursuant to the Over-Allotment Option;

"**Adjusted Unitholders' Equity**" means, at any time, the aggregate of: (a) the amount of Unitholders' equity; and (b) the amount of accumulated depreciation and amortization recorded on the books and records of the REIT and its subsidiaries in respect of their properties, in each case calculated in accordance with IFRS;

"**Advanced Notice Provision**" has the meaning ascribed thereto under "Declaration of Trust – Advance Notice Provision";

"**AFFO**" has the meaning ascribed thereto under "Non-IFRS and Non-GAAP Measures";

"**Appraisal**" means the valuation of the Initial Properties dated as of September 30, 2012 prepared by the Appraiser;

"**Appraiser**" means CBRE Limited;

"**Assumed Mortgages**" means the mortgages on certain of the Initial Properties to be directly or indirectly assumed by FAM LP in the aggregate amount of $93.7 million as described under "The Acquisition — Principal Steps for the Acquisition";

"**Audit Committee**" has the meaning ascribed thereto under "Trustees and Executive Officers of the REIT — Committees of the Board of Trustees — Audit Committee";

"**Board**" or "**Board of Trustees**" means the board of Trustees of the REIT;

"**Borrowing Base**" has the meaning ascribed thereto under "Debt Strategy — Revolving Credit Facility";

"**Capital Expenditure Subsidy**" has the meaning set out in "Retained Interest – Capital Expenditure Subsidy;

"**CBCA**" means the *Canada Business Corporations Act,* as amended;

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

"**CEO**" means chief executive officer;

"**CFO**" means chief financial officer;

"**Chairman**" means the chairman of the Board of Trustees;

"**Class A LP Units**" means the Class A limited partnership units of FAM LP;

"**Class B LP Units**" means the Class B limited partnership units of FAM LP;

"**Closing**" means the closing of the Offering and other related transactions, all of which are described in this prospectus;

“**Closing Market Price**” has the meaning set out in “Declaration of Trust — Redemption Right”;

“**Code of Conduct**” means the written code of conduct of the REIT, as described under the heading “Trustees and Executive Officers of the REIT — Governance and Board of Trustees”;

“**Compensation, Governance and Nominating Committee**” has the meaning ascribed thereto under “Trustees and Executive Officers of the REIT — Committees of the Board of Trustees — Compensation, Governance and Nominating Committee”;

“**CRA**” means the Canada Revenue Agency;

“**Declaration of Trust**” means the declaration of trust of the REIT dated August 27, 2012, as amended and restated from time to time, as described under “Declaration of Trust”;

“**Deferred Shares**” has the meaning ascribed thereto under “Executive Compensation — Summary Compensation Table — Deferred Share Plan – Eligible Person”;

“**Deferred Share Account**” has the meaning ascribed thereto under “Executive Compensation — Summary Compensation Table — Deferred Share Plan — Deferred Shares and Deferred Shares Accounts”;

“**Deferred Share Plan**” has the meaning ascribed thereto under “Executive Compensation — Compensation Discussion and Analysis — Annual Incentive Bonus”;

“**Deferred Share Redemption Date**” has the meaning ascribed thereto under “Executive Compensation — Deferred Share Plan — Summary Compensation Table — Redemption of Deferred Shares”;

“**Deferred Units**” has the meaning ascribed thereto under “Executive Compensation - Long-Term Incentive Plan in the form of Deferred Share Awards and Deferred Unit Awards”;

“**Distribution Date**” means, any date on which the Trustees have determined that a distribution will be made by the Trust to the Unitholders;

“**DRIP**” means the distribution reinvestment plan to be adopted by the REIT, pursuant to which Canadian resident Unitholders will be entitled to elect to have cash distributions in respect of Trust Units automatically reinvested in additional Trust Units;

“**Elected Amount**” has the meaning ascribed thereto under “Executive Compensation — Summary Compensation Table — Deferred Share Plan — Election by Eligible Persons”;

“**Eligible Person**” has the meaning ascribed thereto under “Executive Compensation — Summary Compensation Table — Deferred Share Plan — Eligible Persons”;

“**Exchange Agreement**” means the exchange agreement between the REIT, FAM LP and Huntingdon, as described under “Retained Interest — Exchange Agreement”;

“**Exchange Right**” has the meaning ascribed thereto under “Retained Interest — Exchange Agreement”;

“**Exempt Plans**” has the meaning ascribed thereto under “Eligibility for Investment”;

“**Existing Mortgages**” has the meaning ascribed thereto under “The REIT — Debt Strategy”;

“**FAM GP**” means FAM GPCo Inc., a company incorporated under the laws of Ontario;

“**FAM LP**” means FAM Management Limited Partnership, the limited partnership formed under the laws of Ontario;

“**FAM LP Agreement**” means the FAM LP limited partnership agreement between the REIT, FAM Property Inc. and FAM GP, as amended and restated from time to time, as described under “FAM LP”;

“**FFO**” has the meaning ascribed thereto under “Non-IFRS and Non-GAAP Measures”;

“**GAAP**” means Canadian generally accepted accounting principles determined with reference to The Handbook of The Canadian Institute of Chartered Accountants, as amended from time to time;

“**GBV**” means, at any time, the book value of the assets of the REIT and its consolidated subsidiaries, as shown on its then most recent consolidated statement of financial position, plus accumulated depreciation and amortization in respect of the REIT’s properties (and related intangible assets) shown thereon or in the notes thereto, less (i) the amount of any restricted cash; and (ii) the amount of future income tax liability arising out of the fair value adjustment in respect of the indirect acquisition of certain properties; provided, however, if approved by a majority of the Trustees, the appraised value of the assets of the REIT and its consolidated subsidiaries may be used instead of book value;

“**GDP**” means gross domestic product;

“**GLA**” means gross leasable area measured in square feet;

“**Global Unit Certificate**” has the meaning ascribed thereto under “Declaration of Trust — Book-Based System”;

“**Holder**” has the meaning ascribed thereto under “Certain Canadian Federal Income Tax Considerations”;

“**Huntingdon**” means Huntingdon Capital Corp., following its amalgamation with HREIT Properties Inc. and IAT Inc., and includes any successors;

“**Huntingdon Board**” means the board of directors of Huntingdon;

“**Huntingdon Compensation Committee**” means the compensation committee of the Huntingdon Board;

“**Huntingdon Shares**” means common shares in the capital of Huntingdon;

“**IASB**” means International Accounting Standards Board;

“**IAQ**” means indoor air quality;

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

“**Independent Trustee**” has the meaning set out in “Trustees and Management of the REIT — Governance and Board of Trustees”;

“**Initial Properties**” means the 27 properties owned indirectly by the REIT on Closing, as described under “Assets of the REIT”;

“**Initial Term**” has the meaning ascribed thereto under “Management of the REIT — Management Agreement”;

“**Institutional Tenant**” means a tenant that is, or where the lease or sublease for such tenant is guaranteed by the Government of Canada, the Government of the U.S., any province, state or territory of Canada or the U.S., any municipality or city in Canada or the U.S., any agency or crown corporation thereof or any boards, departments or authorities thereof;

“**Interest Rate Subsidy**” has the meaning ascribed thereto under “Retained Interest – Interest Rate Subsidy;

“**Investment Committee**” has the meaning ascribed thereto under “Trustees and Executive Officers of the REIT — Committees of the Board of Trustees — Investment Committee”;

"**Lending Value**" has the meaning ascribed thereto under "Debt Strategy — Revolving Credit Facility";

"**LP Units**" means, collectively, the Class A LP Units and the Class B LP Units;

"**Management Agreement**" means the management agreement between the REIT and Huntingdon, as described under "Management of the REIT — Management Agreement";

"**Management Services**" has the meaning ascribed thereto under "Management of the REIT — Management Agreement";

"**Market Price**" has the meaning ascribed thereto under "Declaration of Trust — Redemption Right";

"**Market Value**" has the meaning ascribed thereto under "Executive Compensation — Summary Compensation Table — Deferred Share Plan — Deferred Shares and Deferred Share Accounts";

"**named executive officer**" has the meaning ascribed thereto under "Executive Compensation — Overview";

"**NI 58-201**" means National Instrument 58-201 — *Corporate Governance Guidelines*;

"**NOI**" has the meaning ascribed thereto under "Non-IFRS and Non-GAAP Measures";

"**Nominating Unitholder**" has the meaning ascribed thereto under "Declaration of Trust — Advance Notice Provision";

"**Non-Resident**" means either a "Non-Resident" of Canada within the meaning of the Tax Act or a partnership that is not a "Canadian partnership" within the meaning of the Tax Act;

"**Notice Date**" has the meaning ascribed thereto under "Declaration of Trust — Advance Notice Provision";

"**Offering**" means the initial public offering of Offered Units pursuant to this prospectus;

"**Offered Securities**" means, collectively, the Trust Units (including the Additional Trust Units) and the Warrants (including the Additional Warrants);

"**Offered Unit**" means a unit of the REIT, with each unit comprised of one Trust Unit and one quarter of one Warrant;

"**Officer's Certificate**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations";

"**Over-Allotment Option**" has the meaning ascribed thereto under "Plan of Distribution";

"**Participants**" has the meaning ascribed thereto under "Executive Compensation — Summary Compensation Table — Deferred Share Plan";

"**Partnerships**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations — Taxation of FAM LP";

"**PCA Reports**" means the building condition reports in respect of each of the Initial Properties as described under "Assessment and Valuation of the Initial Properties — Property Condition Assessments";

"**Permitted Property**" has the meaning ascribed thereto under "Management of the REIT — Management Restrictions";

"**Phase I ESA Report**" has the meaning ascribed thereto under "Assessment and Valuation of the Initial Properties — Environmental Site Assessments";

"**Phase II ESA**" has the meaning ascribed thereto under "Assessment and Valuation of the Initial Properties — Environmental Site Assessments";

"**Preferred Units**" has the meaning ascribed thereto under "Declaration of Trust — Trust Units, Special Voting Units and Preferred Units";

"**Proposed Disposition**" has the meaning ascribed thereto under "Retained Interest — Right of First Offer";

"**PWGSC**" means Public Works and Government Services Canada;

"**RAP**" means remediation action plan;

"**Recommended Environmental Work**" has the meaning ascribed thereto in "The Acquisition – Acquisition Agreement";

"**Redemption Date**" has the meaning ascribed thereto under "Declaration of Trust — Redemption Right";

"**Redemption Notes**" means unsecured subordinated promissory notes of the REIT having a maturity date to be determined at the time of issuance by the Trustees, in accordance with the Declaration of Trust, bearing interest from the date of issue at a market rate of interest determined at the time of issuance by the Trustees, payable for each month during the term on the 15th day of each subsequent month with all principal being due on maturity, such promissory notes to provide that the REIT shall at any time be allowed to prepay all or any part of the outstanding principal without notice or bonus;

"**Redemption Price**" has the meaning ascribed thereto under "Declaration of Trust — Redemption Right";

"**REIT**" means FAM Real Estate Investment Trust, including its Subsidiaries where the context requires;

"**REIT Exception**" means the exclusion from the definition of SIFT trust in the Tax Act for a trust qualifying as a "real estate investment trust" as defined in subsection 122.1(1) of the Tax Act, as described under "Certain Canadian Federal Income Tax Considerations — Status of the REIT — REIT Exception";

"**Related Party**" means with respect to any person, a person who is a "related party", as that term is defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, as such rule may be amended from time to time (and including any successor rule or policy thereto), but shall not include a Subsidiary of the person;

"**Renewal Terms**" has the meaning ascribed thereto under "Management of the REIT — Management Agreement";

"**Restricted Investment**" has the meaning ascribed thereto under "Management of the REIT — Management Restrictions"

"**Revolving Credit Facility**" means the revolving credit facility in favour of the REIT expected to be in place at Closing, as described under "Debt Strategy — Revolving Credit Facility";

"**ROFO Agreement**" has the meaning ascribed thereto under "Retained Interest — Right of First Offer";

"**RRIF**" means registered retirement income fund;

"**RRSP**" means registered retirement savings plan;

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

"**Servicer Employee Severance Costs**" has the meaning ascribed thereto under "Management of the REIT – Management Agreement";

"**SIFT**" means a "SIFT trust" or a "SIFT partnership" as defined in the Tax Act;

“**SIFT Legislation**” means the provisions of the Tax Act that apply to a SIFT, taking into account all Tax Proposals with respect to such provisions, including the amendments announced on October 24, 2012;

“**Special Voting Unit**” means a special voting unit of the REIT;

“**Subsidiary**” has the meaning ascribed thereto in National Instrument 45-106 — *Prospectus and Registration Exemptions*;

“**Target Bonus**” has the meaning ascribed thereto under “Executive Compensation — Compensation Discussion and Analysis — Annual Incentive Bonus”;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended;

“**Tax Proposals**” has the meaning ascribed thereto under “Certain Canadian Federal Income Tax Considerations”;

“**Term**” has the meaning ascribed thereto under “Management of the REIT — Management Agreement”;

“**Termination Date**” has the meaning ascribed thereto under “Executive Compensation — Summary Compensation Table — Deferred Share Plan — Vesting of Deferred Shares”;

“**TFSA**” means tax-free savings account;

“**Transfer Agent**” means Computershare Trust Company of Canada, at its principal office in Toronto, Ontario;

“**Trust Liability**” has the meaning ascribed thereto under “Risk Factors — Risk Factors Related to the Business of the REIT”;

“**Trustees**” means the trustees from time to time of the REIT;

“**Trust Unit**” means a unit of the REIT, other than a Special Voting Unit;

“**TSX**” means the Toronto Stock Exchange;

“**TSXV**” means the TSX Venture Exchange;

“**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended;

“**Underwriters**” means TD Securities Inc. National Bank Financial Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Canaccord Genuity Corp., Raymond James Ltd. and Macquarie Capital Markets Canada Ltd.;

“**Underwriting Agreement**” means the underwriting agreement to be entered into between the REIT, Huntingdon and the Underwriters, as described under “Plan of Distribution”;

“**Unitholder**” means a holder of Trust Units, and any reference to a Unitholder in the context of such Unitholder’s right to vote at a meeting of Unitholders also includes a holder of Special Voting Units;

“**VTB Note**” means the 3% vendor-take back note issued by FAM LP in favour of Huntingdon in the principal amount of approximately $9.2 million, with a 2-year term to maturity;

“**Voting Unit**” means a Trust Unit and/or a Special Voting Unit, as the context requires;

“**Warrant**” means a Trust Unit purchase warrant of the REIT that entitles the holder thereof to acquire one Warrant Unit at an exercise price of $10.50 per Warrant Unit at any time following the Closing and prior to 5:00 p.m. (Toronto time) on December 28, 2015;

“**Warrant Agent**” means Computershare Trust Company of Canada, as warrant agent under the Warrant Indenture;

“**Warrant Indenture**” means the indenture to be entered into on Closing between the REIT and Computershare Trust Company of Canada, as warrant agent; and

“**Warrant Unit**” means a trust unit of the REIT acquired on the exercise of a Warrant.

INDEX TO FINANCIAL STATEMENTS

Pro Forma Consolidated Financial Statements of

FAM REAL ESTATE INVESTMENT TRUST

As at and for the nine months ended September 30, 2012 and the year ended December 31, 2011
(Unaudited)

FAM REAL ESTATE INVESTMENT TRUST

Pro Forma Consolidated Statement of Financial Position
(in thousands of Canadian dollars)

As at September 30, 2012
(Unaudited)

	Note	REIT	Initial Properties	Pro forma adjustments	Total
Assets					
Non-current assets:					
Investment properties	3(b)	$ –	$ 182,615	$ 5,205	$ 187,820
Restricted cash	3(c), 3(e), 3(f)	–	606	5,760	6,366
Total non-current assets		–	183,221	10,965	194,186
Current assets:					
Accounts receivable and prepaid expenses	3(e)	–	1,790	(1,790)	–
Cash	3(e)	–	315	–	315
Total current assets		–	2,105	(1,790)	315
Total assets		$ –	$ 185,326	$ 9,175	$ 194,501
Liabilities and Unitholders' Equity					
Non-current liabilities:					
Mortgages payable	3(c)	$ –	$ 54,112	$ 9,633	$ 63,745
Provisions	3(b)	–	335	–	335
Class B LP Units	3(c)	–	–	25,137	25,137
Vendor take-back loan	3(d)	–	–	9,180	9,180
Other liabilities	3(f)	–	–	4,900	4,900
Total non-current liabilities		–	54,447	48,850	103,297
Current liabilities:					
Mortgages payable	3(c)	–	30,405	–	30,405
Bank indebtedness	3(c), 3(f)		–	6,197	6,197
Accounts payable and other liabilities	3(b), 3(e)	–	2,635	(1,387)	1,248
Total current liabilities		–	33,040	4,810	37,850
Total liabilities		–	87,487	53,660	141,147
Divisional surplus		–	97,839	(97,839)	–
Unitholders' equity	3(a)	–	–	58,800	53,354
	3(a)	–	–	(5,446)	–
Total liabilities and unitholders' equity		$ –	$ 185,326	$ 9,175	$ 194,501

See accompanying notes to pro forma consolidated financial statements.

FAM REAL ESTATE INVESTMENT TRUST

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

For the nine months ended September 30, 2012
(Unaudited)

	Note	Initial Properties	Pro forma adjustments	Total
Revenue from investment properties		$ 17,349	$ –	$ 17,349
Property operating expenses	3(g)	(6,035)	(279)	(6,314)
Property operating income		11,314	(279)	11,035
General and administration	3(h)	(144)	(1,116)	(1,260)
Finance costs	3(i)	(3,950)	(1,269)	(5,219)
Fair value adjustments to investment properties		(10,630)	–	(10,630)
Net income (loss) and comprehensive income (loss)		$ (3,410)	$ (2,664)	$ (6,074)

See accompanying notes to pro forma consolidated financial statements.

FAM REAL ESTATE INVESTMENT TRUST

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

For the year ended December 31, 2011
(Unaudited)

	Note	Initial Properties	Pro forma adjustments	Total
Revenue from investment properties		$ 22,353	$ –	$ 22,353
Property operating expenses	3(g)	(7,937)	(212)	(8,149)
Property operating income		14,416	(212)	14,204
General and administration	3(h)	(76)	(1,483)	(1,559)
Finance costs	3(i)	(6,188)	(857)	(7,045)
Fair value adjustments to investment properties		2,419	–	2,419
Net income and comprehensive income		$ 10,571	$ (2,552)	$ 8,019

See accompanying notes to pro forma consolidated financial statements.

1. Basis of Presentation:

FAM Real Estate Investment Trust (the “REIT”) is an unincorporated, open-ended real estate investment trust created pursuant to a Declaration of Trust dated August 27, 2012, when one trust unit was issued for $10 cash consideration. The REIT will issue Offered Units for cash pursuant to an initial public offering (the “Offering”) and as partial consideration for properties to be acquired. On closing of the transactions contemplated in the prospectus (the “Closing”), the REIT will indirectly acquire from Huntingdon Capital Corp. (“Huntingdon”), 27 investment properties located in Canada (the “Initial Properties”).

The accompanying unaudited pro forma consolidated statement of financial position as at September 30, 2012 and the consolidated statements of income and comprehensive income for the nine months then ended and the year ended December 31, 2011 of the REIT have been prepared by management of Huntingdon to reflect the Closing.

These unaudited pro forma consolidated financial statements have been prepared from the audited financial statements of the REIT at August 27, 2012 and the unaudited condensed combined financial statements of Huntingdon Capital Corp. Stabilized Properties for the period ended September 30, 2012 and the audited combined financial statements of Huntingdon Capital Corp. Stabilized Properties for the year ended December 31, 2011. These financial statements are included elsewhere in the prospectus.

These unaudited pro forma consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. These unaudited pro forma consolidated financial statements incorporate the principal accounting policies used to prepare the December 31, 2011 combined financial statements of Huntingdon Capital Corp. Stabilized Properties.

The unaudited pro forma consolidated statement of financial position gives effect to the transactions in note 3 as if they had occurred on September 30, 2012. The unaudited pro forma consolidated statement of income and comprehensive income for the nine months ended September 30, 2012 and the year ended December 31, 2011 gives effect to the transactions in note 3 as if they had occurred on January 1, 2011.

The unaudited pro forma consolidated financial statements are 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 operating results or the financial position of the REIT.

2. Significant accounting policies:

(a) Investment properties:

The REIT selected the fair value method to account for real estate classified as investment property. A property is determined to be an investment property when it is principally held to earn rental income or for capital appreciation, or both. Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value. Gains or losses arising from changes in fair value are recognized in profit and loss during the period in which they arise. Fair value is based upon external or internal valuations that use the direct capitalization and/or the discounted cash flow valuation technique. The direct capitalization method applies a capitalization rate to the property's stabilized net operating income. Using the discounted cash flow method, fair value is determined by discounting the expected future cash flows from the property, generally over a term of 10 years, including a terminal value based on the application of a terminal capitalization rate. Subsequent capital expenditures are charged to investment property only when it is probable that the future economic benefits of the expenditure will flow to the REIT and the cost can be measured reliably.

(b) Co-ownership:

One of the Initial Properties is owned through a co-ownership arrangement with another party. This property has been reflected in the Initial Properties' financial statements using the proportionate consolidation method and only includes the REIT's share of the financial position and financial results of the property.

(c) Revenue recognition:

Revenue from investment properties includes rents from tenants under lease agreements, percentage rents, property tax and operating cost recoveries and other incidental income, and is recognized as revenue over the term of the underlying leases. Rental revenue from investment properties with contractual rent increases are recognized on a straight-line basis over the term of the respective leases.

2. Significant accounting policies (continued):

(d) Class B LP Units:

The Class B LP Units of the REIT's limited partnership subsidiary (the "Partnership") are exchangeable into REIT Units at the option of the holder. The REIT Units are puttable and, therefore, the Class B LP Units meet the definition of a financial liability under International Accounting Standards (''IAS'') 32, *Financial Instruments - Presentation* (''IAS 32''). Further, the Class B LP Units are designated as fair value through profit or loss financial liabilities and are measured at fair value at each reporting period with any changes in fair value recorded in profit or loss. The distributions paid on the Class B LP Units are accounted for as finance costs.

(e) Unit capital:

The REIT Units are redeemable at the option of the holder and, therefore, are considered puttable instruments in accordance with IAS 32. Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met in accordance with IAS 32, in which case, the puttable instruments may be presented as equity. The REIT Units meet the conditions of IAS 32 and are, therefore, classified and accounted for as equity.

(f) Income taxes:

The REIT is a mutual fund trust and a real estate investment trust pursuant to the Income Tax Act (Canada). Under current tax legislation, a real estate investment trust is entitled to deduct distributions of taxable income such that it is not liable to pay income taxes provided that its taxable income is fully distributed to unitholders. The REIT intends to continue to qualify as a real estate investment trust and to make distributions not less than the amount necessary to ensure that the REIT will not be liable to pay income taxes. Accordingly, no current or deferred income taxes have been recorded in these pro forma consolidated financial statements.

2. Significant accounting policies (continued):

(g) Financial instruments:

Financial instruments are classified as one of the following: (i) fair value through profit and loss (''FVTPL''), (ii) loans and receivables, (iii) held-to-maturity, (iv) available-for-sale or (v) other liabilities. Financial instruments are recognized initially at fair value. Financial assets and liabilities classified at FVTPL are subsequently measured at fair value with gains and losses recognized in profit and loss. Financial instruments classified as held-to-maturity, loans and receivables or other liabilities are subsequently measured at amortized cost. Available-for-sale financial instruments are subsequently measured at fair value and any unrealized gains and losses are recognized through other comprehensive income and presented in the fair value reserve in equity. The REIT derecognizes a financial asset when the contractual rights to the cash flows from the asset expire.

Financial liabilities are classified as FVTPL when the financial liability is either classified as held-for-trading or it is designated as FVTPL. A financial liability may be designated at FVTPL upon initial recognition if it forms part of a contract containing one or more embedded derivatives, and IAS 39, *Financial Instruments - Recognition and Measurement*, permits the entire combined contract (asset or liability) to be designated at FVTPL. The Class B LP Units and Warrants have been classified as financial liabilities at FVTPL and in addition the interest rate swap is also at FVTPL.

The REIT's cash and restricted cash have been designated as loans and receivables; mortgages payable, vendor-take back loan, bank indebtedness and accounts payable and other liabilities excluding the interest rate swap have been designated as other liabilities. The REIT has neither available-for-sale nor held-to-maturity instruments.

Transaction costs that are directly attributable to the acquisition or issuance of financial assets or liabilities, other than financial assets and liabilities measured at FVTPL, are accounted for as part of the carrying amount of the respective asset or liability at inception. Transaction costs on financial assets and liabilities measured at FVTPL are expensed in the period incurred. Transaction costs related to financial instruments measured at amortized cost are amortized using the effective interest rate over the anticipated life of the related instrument.

Financial assets are derecognized when the contractual rights to the cash flows from financial assets expire or have been transferred. All derivative instruments, including embedded derivatives, are recorded in the financial statements at fair value, except for embedded derivatives exempted from derivative accounting treatment.

2. Significant accounting policies (continued):

(h) Estimates:

The preparation of unaudited pro forma consolidated financial statements requires management to make estimates that affect the application of accounting policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Those estimates have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties that management believes will materially affect the methodology or assumptions utilized in making those estimates in these pro forma consolidated financial statements. The estimates used in determining the recorded amount for assets and liabilities in the pro forma consolidated financial statements include the following:

Investment properties:

The critical estimates and assumptions underlying the valuation of investment properties include, among other things, rental revenue from current leases, reasonable and supportable assumptions that represent what knowledgeable, willing parties would assume about rental revenue from future leases in light of current conditions, less anticipated future cash outflows in respect of tenant installation costs and investment property operations; and capitalization and discount rates arrived at through an independent analysis of market data within the applicable market segment and geographical location.

Others:

Critical judgments and estimates are also made in the determination of fair value of financial instruments and include assumptions and estimates regarding future interest rates, the relative creditworthiness of the REIT to its counterparties, the credit risk of the REIT's counterparties relative to the REIT, the estimated future cash flows and discount rates.

3. Pro forma adjustments:

The pro forma adjustments to the unaudited pro forma consolidated financial statements have been prepared to account for the impact of the transactions contemplated by the prospectus as described below. Conditional on completion of the Offering, the REIT will acquire the Initial Properties and certain related debts through the Partnership in exchange for cash, a vendor take-back loan and the issuance of Class B LP Units in the Partnership. Huntingdon, under the supervision of the REIT, will provide services in exchange for certain distributions and other payments under various agreements (the "Agreements") the REIT will enter into with Huntingdon upon Closing.

(a) Offering:

The unaudited pro forma consolidated financial statements assume that the REIT will raise gross proceeds of approximately $58,800 through the issuance of 5,880,000 Offered Units at $10 per Offered Unit. Each Offered Unit consists of one REIT Unit and one quarter of one trust unit purchase warrant (each whole warrant being a "Warrant"). Each whole Warrant will entitle the holder to purchase one REIT Unit for $10.50 per REIT Unit. The Warrants will expire after a period of three years following Closing. The gross proceeds of the offering will be allocated between REIT Units and Warrants using the opening quoted market price of the Warrants, which cannot be determined at this time. As a result, the gross proceeds from the Offering have been allocated to the REIT Units in these unaudited pro forma consolidated financial statements. Huntingdon will retain an ownership interest in the REIT through the issuance of approximately 2,513,700 Class B LP Units in conjunction with the acquisition of the Initial Properties by the REIT.

Costs relating to the Offering, including underwriters' fees, are expected to be $5,446. Costs related to the Offering are charged directly to unitholders' equity.

(b) Acquisition of assets:

On Closing, it is assumed that the Partnership will acquire the Initial Properties from Huntingdon.

The purchase price is negotiated between the REIT and Huntingdon and is supported by a third party appraisal for the properties. The REIT will assume mortgages of the Initial Properties, a vendor take-back loan payable to Huntingdon, and the Partnership will issue Class B LP Units to Huntingdon, which will result in Huntingdon holding approximately a 30% interest in the REIT. The acquisition of the Initial Properties has been accounted for as an asset acquisition.

(in thousands of Canadian dollars, except unit and per unit amounts)

3. Pro forma adjustments (continued):

The impact of acquiring the Initial Properties is as follows:

Investment properties	$	187,820
Assumed mortgages (net of mortgage transaction costs of $147)		(94,149)
Working capital items, net		1,175
Interest rate swap liability		(643)
Provisions		(335)
Net assets acquired		93,868
Consideration:		
Class B LP Units of Partnership issued to Huntingdon		25,137
Vendor take-back loan		9,180
Cash paid out by the REIT		59,551
		93,868

The actual determination of fair values of identifiable assets acquired and liabilities assumed for the transaction outlined above will be based on the assets and liabilities assumed at the effective date of the acquisition and other information available at that date. Accordingly, the actual amounts for each of these assets and liabilities will vary from the pro forma amounts and variation may be material.

(c) Debt:

Prior to Closing, Huntingdon upwardly financed the mortgage portfolio of the Initial Properties by $9,438 with $860 of this amount to be held in trust in accordance with terms and condition of a financing agreement. The REIT will reimburse Huntingdon for mortgage transaction costs of $147 incurred on the additional financing. On Closing, the REIT will assume existing mortgages on the Initial Properties in the amount of $94,296 excluding unamortized mortgage transaction costs of $341 incurred by Huntingdon that will not be transferred on acquisition.

As consideration for the acquisition of the Initial Properties, the REIT will enter into a vendor take-back loan with Huntingdon of $9,180. The loan bears interest at 3.0% payable quarterly with the principal due in full two years from the date of Closing.

Pursuant to the purchase and sale agreement, Huntingdon will provide an interest rate subsidy on the mortgages assumed whereby Huntingdon will pay the REIT monthly the difference between the contract interest rate on the mortgages portfolio and 4.5%, over the lesser of the period to maturity of the mortgage or five years.

(in thousands of Canadian dollars, except unit and per unit amounts)

3. Pro forma adjustments (continued):

The pro forma consolidated financial statements assume that on Closing, the REIT will enter into a revolving operating facility which will consist of a $8,000 facility available for acquisitions and for general business purposes. The operating facility bears interest at the prime rate plus 1.5%. It is assumed that the REIT will draw $6,197 against the revolving operating facility on Closing.

(d) Class B LP Units:

On Closing, the Partnership will issue 2,513,700 Class B LP Units of the Partnership to Huntingdon at $10 per unit for gross proceeds of $25,137,000.

(e) Working capital:

Accounts receivable, prepaid expenses, and accounts payable and other liabilities, except for prepaid rent and tenant rental deposit liabilities, will not be transferred on Closing. The prepaid rent and tenant rental deposit liabilities, cash and restricted cash balances will be transferred on Closing to the REIT.

(f) Sources and uses of cash:

The REIT's sources and uses of cash after the completion of the transactions contemplated in the Offering are as follows:

Sources:		
Proceeds from offering of Units	$	58,800
Proceeds from drawdown of revolving operating facility		6,197
Uses:		
Purchase of Initial Properties (note 3(b))		59,551
Less: cash retained by the REIT for interest subsidy and capital expenditures		(4,900)
Offering costs		5,446
	$	4,900

On Closing, the REIT will retain $4,900 of the purchase price for the Initial Properties, with $1,900 to be utilized by the REIT as an interest subsidy for a period of five years following Closing to achieve a blended cash interest rate of 4.5% on the outstanding mortgages of the Initial Properties. The remaining $3,000 is to be utilized by the REIT to fund capital expenditures in excess of $675 on an annual basis.

3. Pro forma adjustments (continued):

(g) Operating expenses:

Property operating expenses have been increased by $520 for the period ended September 30, 2012 and $671 for the year ended December 31, 2011 to reflect a property management fee of 3% of gross revenues that would have been payable pursuant to the Agreements as the REIT's day to day operations will be administered by Huntingdon. The REIT will also flow through administration expenses recovered from tenants to Huntingdon. Property operating expenses have been decreased by $241 for the period ended September 30, 2012 and $459 for the year ended December 31, 2011 to reflect the decrease of property administration expenses as a result of property management being performed by Huntingdon net of the flow through of the administration expense recovery.

(h) General and administration expenses:

General and administration expenses have been increased by $679 for the period ended September 30, 2012 and $905 for the year ended December 31, 2011 to reflect management's best estimate of overhead expenses for the REIT. These expenses include legal fees, audit fees, trustee fees, annual report costs, transfer agent fees, insurance and other miscellaneous costs.

Pursuant to the Agreements, Huntingdon provides asset management services to the REIT. Huntingdon is entitled to an asset management fee of 30 basis points on the gross book value of investment properties. General and administration expenses have also been increased by asset management fees of $438 and $578 for the nine months ended September 30, 2012 and for the year ended December 31, 2011, respectively.

(i) Finance costs:

Finance costs have been adjusted to reflect the following:

- Decrease of $86 for the nine months ended September 30, 2012 and $211 for the year ended December 31, 2011 to reflect the change in mortgage interest expense for the refinancing of mortgages and the change in the weighted average interest rate.

- Decrease of $563 for the nine months ended September 30, 2012 and $867 for the year ended December 31, 2011 to reflect a reduction in mortgage interest expense for an interest subsidy arrangement between the REIT and Huntingdon whereby Huntingdon guarantees the rate of interest incurred by the REIT to be 4.5%.

3. Pro forma adjustments (continued):

- Increase of $207 for the nine months ended September 30, 2012 and $275 for the year ended December 31, 2011 to reflect the interest expense on the vendor-take back loan.

- Increase of $209 for the nine months ended September 30, 2012 and $279 for the year ended December 31, 2011 to reflect the interest on the revolving operating facility.

- Distributions on the Class B LP Units of $1,582 for the period ended September 30, 2012 and $1,525 for the year ended December 31, 2011 as interest expense consistent with the classification of the units as financial liabilities on the pro forma consolidated statement of financial position. The distributions on Class B LP Units assume a payout ratio of 95% on adjusted funds from operations (“AFFO”). However, no assurance can be given that actual distributions will be at this level.

- Decrease of $80 for the nine months ended September 30, 2012 and $153 for the year ended December 31, 2011 to remove amortization of mortgage transaction costs that were written off and not transferred on acquisition of the Initial Properties by the REIT. This is net of amortization of transaction costs incurred on upward financing of mortgages.

As the Class B LP Units and Warrants are financial liabilities designated as fair value through profit and loss, they will be adjusted to their fair value on an ongoing basis with any fair value adjustments being included in the income statement. As a pro forma assumption of such fair value changes is a predication rather than an objectively determinable pro forma adjustment, these pro forma consolidated financial statements assume no change in fair value of the Class B LP Units and Warrants during the 2011 and 2012 pro forma consolidated statement of income periods. However, the actual REIT consolidated financial statements will include fair value changes and such changes could be material.

(j) Income taxes:

The REIT assumes that on closing and beyond, it will meet the REIT conditions, as described in note 2(g). The REIT also assumes that it will distribute all of its taxable income to unitholders.

4. Unitholders' equity:

The REIT is authorized to issue an unlimited number of units. Trust units are ordinary units of the REIT, each of which represents a unitholder's proportionate undivided beneficial interest and voting rights in the REIT. On Closing, the REIT anticipates issuing 5,880,000 units, at $10 per unit for total proceeds of $53,354, net of issue costs of $5,446, prior to the allocation of proceeds to the Warrants.

Financial Statements of

FAM REAL ESTATE INVESTMENT TRUST

As at August 27, 2012

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of FAM Real Estate Investment Trust

We have audited the accompanying financial statements of FAM Real Estate Investment Trust, which comprise the statement of financial position as at August 27, 2012, the statement of changes in unitholder's equity and cash flows for the one day period ended August 27, 2012, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of FAM Real Estate Investment Trust as at August 27, 2012 and its cash flows for the one day period ended August 27, 2012 in accordance with International Financial Reporting Standards.

(Signed) KPMG LLP

Chartered Accountants

Winnipeg, Canada

December 17, 2012

FAM REAL ESTATE INVESTMENT TRUST

Statement of Financial Position

As at August 27, 2012

Assets

Cash	$	10

Unitholder’s Equity

Unitholder’s equity	$	10

See accompanying notes to financial statements.

FAM REAL ESTATE INVESTMENT TRUST

Statement of Changes in Unitholder's Equity

For the one day period ended August 27, 2012

Issuance of units on formation	$	10
Net income		–
Unitholder's equity, end of period	$	10

See accompanying notes to financial statements.

FAM REAL ESTATE INVESTMENT TRUST

Statement of Cash Flows

For the one day period ended August 27, 2012

Financing activities:		
Issuance of units	$	10
Net increase in cash		10
Cash, beginning of period		–
Cash, end of period	$	10

See accompanying notes to financial statements.

1. Organization:

FAM Real Estate Investment Trust (the “REIT”) is an open-ended real estate investment trust created pursuant to a Declaration of Trust dated August 27, 2012 when one trust unit was issued for $10.00 for cash consideration to the REIT.

The address of the REIT’s registered office is 2000 - 5000 Miller Road, Richmond, British Columbia, Canada. The REIT’s financial statements as at August 27, 2012 were authorized for issue by the Board of Trustees of the REIT (the “Trustees”) on December 17, 2012, after which date the financial statements may be amended with Trustee approval.

2. Significant accounting policies:

These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). All amounts are in Canadian Dollars.

Unitholder’s equity:

The REIT is authorized to issue an unlimited number of units (“Units”), and classifies issued Units as equity in the statement of financial position. The Units are puttable financial instruments because of the unitholder’s option to redeem Units, generally at any time, subject to certain restrictions, at a redemption price per Unit equal to the fair market value of the Units at that time. The REIT has classified the Units as equity pursuant to the provisions of IAS 32, *Financial Instruments: Presentation*, on the basis that the Units meet all of the criteria in IAS 32 for such classification, also referred to as the “puttable exemption”.

Units are initially recognized at the fair value of the consideration received by the REIT. Any transaction costs arising from the issue of Units are recognized directly in unitholder’s equity as a reduction of the proceeds received.

3. Subsequent event:

(a) Initial Public Offering:

On December 17, 2012, the REIT entered into an underwriting agreement, whereby the REIT will raise gross proceeds of $58.8 million pursuant to an initial public offering (the “Offering”) through the issuance of 5,880,000 Offered Units of the REIT. Each Offered Unit consists of one trust unit of the REIT and one quarter of one trust unit purchase warrants of the REIT at $10 per Offered Unit.

The closing (the “Closing”) of the Offering and acquisition of the Initial Properties by the REIT are scheduled to occur on or about December 28, 2012. On Closing, the REIT will indirectly acquire from Huntingdon Capital Corp. (“Huntingdon”) 27 office, industrial and retail properties for a gross purchase price of $186.8 million. As consideration to satisfy the purchase price, the REIT will assume mortgages of $93.7 million, enter into a vendor take-back loan with Huntingdon of $9.2 million, the REIT’s operating credit facility of $6.2 million and provide cash consideration of $52.6 million. In addition, Huntingdon will retain 2,513,700 Class B LP Units in the REIT’s limited partnership subsidiary aggregating $25.1 million of the total consideration. The Class B LP Units are exchangeable into trust units of the REIT at the option of the holder.

(b) Management Agreement:

The REIT entered into a Management Agreement with Huntingdon for the provision of various services, including property management, asset management, leasing and financing.

(c) Amendment to the Declaration of Trust:

On December 17, 2012, the REIT amended its Declaration of Trust for various terms and conditions, including the REIT is now authorized to issue an unlimited number of special voting units.

Condensed Combined Interim Financial Statements of

HUNTINGDON CAPITAL CORP.
STABILIZED PROPERTIES

Three months and nine months ended September 30, 2012 and 2011
(Unaudited)

HUNTINGDON CAPITAL CORP. STABILIZED PROPERTIES

Condensed Combined Interim Statements of Financial Position
(in thousands of Canadian dollars)

(Unaudited)

	Note	As at September 30, 2012	As at December 31, 2011
Assets			
Non-current assets:			
Investment properties	4	$ 182,615	$ 192,706
Restricted cash		606	893
Total non-current assets		183,221	193,599
Current assets:			
Accounts receivable and prepaid expenses		1,790	404
Cash		315	118
Total current assets		2,105	522
Total assets		$ 185,326	$ 194,121
Liabilities and Divisional Surplus			
Non-current liabilities:			
Mortgages payable	6	$ 54,112	$ 70,257
Provisions		335	335
Total non-current liabilities		54,447	70,592
Current liabilities:			
Mortgages payable	6	30,405	28,308
Accounts payable and other liabilities	5	2,635	2,967
Total current liabilities		33,040	31,275
Total liabilities		87,487	101,867
Divisional surplus		97,839	92,254
Total liabilities and divisional surplus		$ 185,326	$ 194,121

See accompanying notes to condensed combined interim financial statements.

HUNTINGDON CAPITAL CORP. STABILIZED PROPERTIES

Condensed Combined Interim Statements of Income (Loss) and Comprehensive Income (Loss)
(in thousands of Canadian dollars)

(Unaudited)

	Note	Three months ended September 30, 2012	Three months ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011
Revenue from investment properties		$ 5,748	$ 5,546	$ 17,349	$ 16,636
Property operating expenses		(1,934)	(1,997)	(6,035)	(5,863)
Income before the undernoted		3,814	3,549	11,314	10,773
General and administration		(119)	(11)	(144)	(60)
Finance costs	7	(1,201)	(1,787)	(3,950)	(4,719)
Fair value adjustments to investment properties	4	(10,627)	(670)	(10,630)	335
Net income (loss) and comprehensive income (loss)		$ (8,133)	$ 1,081	$ (3,410)	$ 6,329

See accompanying notes to condensed combined interim financial statements.

HUNTINGDON CAPITAL CORP. STABILIZED PROPERTIES

Condensed Combined Interim Statements of Divisional Surplus
(in thousands of Canadian dollars)

Nine months ended September 30, 2012 and 2011
(Unaudited)

	2012	2011
Divisional surplus, beginning of period	$ 92,254	$ 85,155
Net income (loss)	(3,410)	6,329
Net contribution from Huntingdon	8,995	–
Net distributions to Huntingdon	–	(2,041)
Divisional surplus, end of period	$ 97,839	$ 89,443

See accompanying notes to condensed combined interim financial statements.

HUNTINGDON CAPITAL CORP. STABILIZED PROPERTIES

Condensed Combined Interim Statements of Cash Flows
(in thousands of Canadian dollars)

Nine months ended September 30, 2012 and 2011
(Unaudited)

	2012	2011
Operating activities:		
Net income (loss)	$ (3,410)	$ 6,329
Adjustments for:		
Amortization of leasing costs and straight-line rent	221	(124)
Finance costs	3,950	4,719
Fair value adjustments to investment properties	10,630	(335)
	11,391	10,589
Change in non-cash working capital	(1,340)	(668)
Interest paid on mortgages	(3,939)	(4,263)
Cash flows provided by operating activities	6,112	5,658
Investing activities:		
Additions to investment properties, net	(761)	(1,941)
Cash flows used in investing activities	(761)	(1,941)
Financing activities:		
Proceeds of mortgage financing	–	827
Mortgage principal payments	(14,149)	(2,413)
Mortgage transaction costs	–	(29)
Distributions to Huntingdon	–	(2,041)
Contribution from Huntingdon	8,995	–
Cash flows used in financing activities	(5,154)	(3,656)
Increase in cash	197	61
Cash, beginning of period	118	95
Cash, end of period	$ 315	$ 156

See accompanying notes to condensed combined interim financial statements.

1. Organization:

Huntingdon Capital Corp. Stabilized Properties as presented in these condensed combined interim financial statements is not a legal entity. These condensed combined interim financial statements and notes thereto represent the combination of 27 industrial, office, and retail properties located in Canada (the "Initial Properties"), that are owned directly or indirectly by Huntingdon Capital Corp. ("Huntingdon") and have been owned by Huntingdon directly or indirectly for all periods presented. Huntingdon is a real estate operating company incorporated under the laws of British Columbia whose principal activities include property ownership, development, and asset and property management services. The head office of Huntingdon is located at 2000 - 5000 Miller Road, Richmond, British Columbia, Canada.

The Initial Properties are to be acquired by FAM Real Estate Investment Trust (the "REIT") upon completion of an initial public offering of units by the REIT (note 11).

2. Basis of preparation:

(a) Statement of compliance:

These condensed combined interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and note disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, have been omitted or condensed. These unaudited condensed combined interim financial statements should be read in conjunction with the Initial Properties’ combined financial statements for the year ended December 31, 2011.

These condensed combined interim financial statements were approved by the Board of Directors of Huntingdon and authorized for issue on December 17, 2012.

(b) Basis of preparation:

These condensed combined interim financial statements present the financial position, results of operations and cash flows of the Initial Properties had the Initial Properties been accounted for on a stand-alone basis, and include the Initial Properties' share of the assets, liabilities, revenues and expenses. Management has extracted the information used to prepare these condensed combined interim financial statements from the condensed consolidated interim financial statements of Huntingdon.

2. Basis of preparation (continued):

Management believes that the preservation of historic fees and an allocation of other costs to the Initial Properties reflected a reasonable method of allocating an appropriate portion of the historic property operating and other costs of Huntingdon related to the management of the Initial Properties. Other corporate costs, such as public company and administrative costs of Huntingdon, have not been allocated to the combined financial statements.

These condensed combined interim financial statements are not necessarily indicative of the results that would have been attained if the Initial Properties had been operated as a separate legal entity during the periods presented and, therefore, are not necessarily indicative of future operating results.

Because these properties were part of a corporate group, these condensed combined interim financial statements depict the divisional surplus in net assets, representing the amount associated specifically with these properties. Management's estimates, when necessary, have been used to prepare such allocation. Other corporate costs, such as public company and administrative costs of Huntingdon, have not been allocated to the condensed combined interim financial statements.

(c) Basis of measurement:

These condensed combined interim financial statements have been prepared on a going concern basis and historical cost basis except for the following material items:

- Investment properties are measured at fair value; and
- Financial instruments at fair value through profit or loss are measured at fair value.

These condensed combined interim financial statements are presented in Canadian dollars, which is the Initial Properties' functional currency.

(d) Use of estimates and judgments:

The preparation of these condensed combined interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses and disclosures of contingent assets and liabilities. Actual results could differ from the estimated amounts.

2. Basis of preparation (continued):

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

(i) Valuation of investment properties:

The critical estimates and assumptions underlying the valuation of investment properties include, among other things, rental revenue from current leases, reasonable and supportable assumptions that represent what knowledgeable, willing parties would assume about rental revenue from future leases in light of current conditions, less anticipated future cash outflows in respect of tenant installation costs and investment property operations; and capitalization and discount rates arrived at through an independent analysis of market data within the applicable market segment and geographical location.

(ii) Provisions:

The critical estimates and assumptions underlying the provision for decommissioning liabilities in relation to ground leases include, among other things, the estimated cost of restoration at the end of the ground leases, the likelihood of renewal and duration of the ground leases, the estimated rate of inflation and discount rates.

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the combined financial statements:

(i) Leases:

Management makes judgments in determining whether certain leases, in particular those leases with long contractual terms where the lessee is the sole tenant in a property and long-term ground leases where the Initial Properties is the lessee, are operating or finance leases. Management has determined that all tenant and ground leases are operating leases.

(all tabular amounts are expressed in thousands of Canadian dollars)

3. Significant accounting policies:

These condensed combined interim financial statements have been prepared using the same accounting policies as those used in the Initial Properties' combined financial statements for the year ended December 31, 2011 and have been applied consistently to all periods presented in these condensed combined interim financial statements. No new accounting standards were adopted during the period.

4. Investment properties:

	September 30, 2012	December 31, 2011
Balance, beginning of period	$ 192,706	$ 187,870
Additions:		
Capital expenditures	570	944
Direct leasing expenses	191	1,331
Provisions	(1)	18
Fair value adjustments	(10,630)	2,419
Amortization of leasing expenses and straight-line rents included in revenue, net	(221)	124
Balance, end of period	$ 182,615	$ 192,706

Investment properties are carried at fair value. Generally, the investment properties are valued either internally by management or externally by third party appraisers using a number of approaches including a discounted cash flow approach, a direct capitalization approach and a direct comparison approach.

At September 30, 2012, the valuation of investment properties is based on the estimated selling price of the properties to FAM Real Estate Investment Trust (note 11) supported by a third party appraisal. At December 31, 2011 5 properties with an aggregate fair value of $34.1 million were appraised by third party valuators, with the remainder of the portfolio internally valued. Each investment property is subject to an external appraisal on a rotating schedule.

The fair value of each investment property is based upon, among other things, rental income from current leases and assumptions about rental income from future leases reflecting market conditions at the applicable reporting dates, less future cash outflows in respect of such leases. Valuations are most sensitive to changes in discount rates and capitalization rates. Under the discounted cash flow approach, fair values were determined by discounting the expected future cash flows, generally over a term of 10 years including a terminal value based on the application of a terminal capitalization rate.

(all tabular amounts are expressed in thousands of Canadian dollars)

4. Investment properties (continued):

The key valuation metrics for the investment properties are set out in the following table with the valuation metrics at September 30, 2012 based on the third party appraisals prepared to support the estimate selling price of the properties:

	September 30, 2012			December 31, 2011		
	Discount rate	Terminal cap rate	Cap rate	Discount rate	Terminal cap rate	Cap rate
Minimum	7.50%	7.00%	7.00%	7.75%	7.25%	7.00%
Maximum	9.25%	8.50%	9.00%	9.25%	9.00%	9.00%

An investment property with a fair value of approximately $9.1 million at September 30, 2012 (December 31, 2011 - $8.5 million) is situated on a ground lease expiring in 2036.

Investment properties with a fair value of $160.1 million (December 31, 2011 - $190.0 million) were pledged as security for mortgages payable.

Investment properties with a fair value of nil (December 31, 2011 - $13.7 million) were pledged as security for a mortgage held by Huntingdon that was discharged in September 2012. The value of the mortgage outstanding at December 31, 2011 was $4.3 million.

Commencing during the period ended September 30, 2012, investment properties with a fair value of $21.7 million were pledged as security for secured debentures issued by Huntingdon.

5. Accounts payable and other liabilities:

	September 30, 2012	December 31, 2011
Trade payables and accrued liabilities	$ 2,192	$ 2,532
Tenant inducements and deposits	171	170
Deferred revenue	272	265
	$ 2,635	$ 2,967

The Initial Properties utilize an interest rate swap agreement in order to fix the interest rate on a floating rate mortgage. The swap transaction fixes the rate of interest at 5.89% and matures on January 3, 2025. The outstanding balance of the floating rate mortgage as at September 30, 2012 is $4.4 million (December 31, 2011 - $4.6 million). As at September 30, 2012 the cumulative unrealized loss on the interest rate swap of $0.9 million (December 31, 2011 - $1.0 million) is included in trade payables and accrued liabilities.

(all tabular amounts are expressed in thousands of Canadian dollars)

6. Mortgages payable:

Mortgages comprise the following:

	September 30, 2012	December 31, 2011
Mortgages payable	$ 84,858	$ 99,003
Transaction costs	(341)	(438)
	84,517	98,565
Less: current portion	30,405	28,308
	$ 54,112	$ 70,257

The weighted average interest rate for the mortgages 5.71 percent (December 31, 2011 - 5.68 percent), and the weighted average term to maturity is 2.89 years (December 31, 2011 - 3.25 years). Mortgages are secured by mortgage charges registered against the title of specific investment properties, assignment of book debts, assignment of rents and repayment guarantees. One mortgage of $3.4 million (December 31, 2011 - $4.4 million) is secured by three properties, including one property held by Huntingdon. This mortgage was discharged in October 2012.

The Initial Properties are required to maintain annual debt service ratios for certain mortgages. As of December 31, 2011, the Initial Properties did not meet the debt service ratio for one mortgage in the amount of $2.5 million that matures in 2013. A waiver has been obtained for the mortgage and is continuing to be repaid in accordance with the terms of the original mortgage. This mortgage is being shown as a current mortgage payable.

Future principal payments, excluding amortization of transaction costs, as at September 30, 2012 are as follows:

2012 (3 months)	$ 13,006
2013	17,888
2014	2,060
2015	21,547
2016	23,029
Thereafter	7,328

(all tabular amounts are expressed in thousands of Canadian dollars)

7. Finance costs:

Finance costs are comprised of the following:

	Three months ended		Nine months ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Mortgage interest	$ 1,207	$ 1,419	$ 3,939	$ 4,263
Loss (gain) on interest rate swap	(33)	335	(90)	322
Amortization of mortgage transaction costs	27	33	101	134
	$ 1,201	$ 1,787	$ 3,950	$ 4,719

8. Financial risk management:

Refer to the Initial Properties' combined financial statements for the year ended December 31, 2011 for a description of risks and an explanation of the Initial Properties' risk management policy.

9. Capital management and liquidity:

Refer to the Initial Properties' combined financial statements for the year ended December 31, 2011 for an explanation of the Initial Properties' capital management policy.

10. Commitments and contingencies:

The Initial Properties lease land from the local airport authority at an airport in Central Canada. This lease contains rights of renewal and first refusal extending until 2036. The agreement provides for the increase of lease payments every 5 years to reflect market rentals.

(all tabular amounts are expressed in thousands of Canadian dollars)

10. Commitments and contingencies (continued):

Future minimum operating lease payments as at September 30, 2012 using current established rates are as follows:

2012 (3 months)	$	91
2013		366
2014		366
2015		366
2016		366
Thereafter		7,158

11. Subsequent event:

On December 17, 2012, the REIT entered into an underwriting agreement, whereby the REIT is expected to raise gross proceeds of $58.8 million through the issuance of 5,880,000 Offered Units of the REIT. Each Offered Unit consists of one trust unit of the REIT and one quarter of one trust unit purchase warrants of the REIT at $10 per Offered Unit pursuant to an Initial public Offering (the “Offering”).

The closing of the Offering and acquisition of the Initial Properties by the REIT are scheduled to occur on or about December 28, 2012.

Combined Financial Statements of

HUNTINGDON CAPITAL CORP.
STABILIZED PROPERTIES

Years ended December 31, 2011 and 2010

INDEPENDENT AUDITORS' REPORT

To the Directors of Huntingdon Capital Corp.

We have audited the accompanying combined financial statements of Huntingdon Capital Corp. Stabilized Properties which comprise the combined statements of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010, the combined statements of income and comprehensive income, divisional surplus, and cash flows for the years ended December 31, 2011 and December 31, 2010, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements present fairly, in all material respects, the combined financial position of Huntingdon Capital Corp. Stabilized Properties as at December 31, 2011, December 31, 2010 and January 1, 2010, and its combined financial performance and its combined cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with International Financial Reporting Standards.

(Signed) KPMG LLP

Chartered Accountants

December 17, 2012

Winnipeg, Canada

HUNTINGDON CAPITAL CORP. STABILIZED PROPERTIES

Combined Statements of Financial Position
(in thousands of Canadian dollars)

	Note	As at December 31, 2011	As at December 31, 2010	As at January 1, 2010
Assets				
Non-current assets:				
Investment properties	4	$ 192,706	$ 187,870	$ 172,698
Restricted cash		893	1,538	1,214
Total non-current assets		193,599	189,408	173,912
Current assets:				
Accounts receivable and prepaid expenses		404	695	524
Cash		118	95	1,892
Total current assets		522	790	2,416
Total assets		$ 194,121	$ 190,198	$ 176,328
Liabilities and Divisional Surplus				
Non-current liabilities:				
Mortgages payable	6	$ 70,257	$ 69,754	$ 68,820
Provisions	7	335	317	317
Total non-current liabilities		70,592	70,071	69,137
Current liabilities:				
Mortgages payable	6	28,308	31,082	30,692
Accounts payable and other liabilities	5	2,967	3,890	2,116
Total current liabilities		31,275	34,972	32,808
Total liabilities		101,867	105,043	101,945
Divisional surplus		92,254	85,155	74,383
Total liabilities and divisional surplus		$ 194,121	$ 190,198	$ 176,328

See accompanying notes to combined financial statements.

HUNTINGDON CAPITAL CORP. STABILIZED PROPERTIES

Combined Statements of Income and Comprehensive Income
(in thousands of Canadian dollars)

Years ended December 31, 2011 and 2010

	Note		2011		2010
Revenue from investment properties		$	22,353	$	22,020
Property operating expenses	10		(7,937)		(7,920)
Property operating income			14,416		14,100
General and administration	10		(76)		(38)
Finance costs	9		(6,188)		(6,181)
Fair value adjustments to investment properties	4		2,419		10,149
Net income and comprehensive income		$	10,571	$	18,030

See accompanying notes to combined financial statements.

HUNTINGDON CAPITAL CORP. STABILIZED PROPERTIES

Combined Statements of Divisional Surplus
(in thousands of Canadian dollars)

Years ended December 31, 2011 and 2010

		2011		2010
Divisional surplus, beginning of year	$	85,155	$	74,383
Net income		10,571		18,030
Net distribution to Huntingdon		(3,472)		(7,258)
Divisional surplus, end of year	$	92,254	$	85,155

See accompanying notes to combined financial statements.

HUNTINGDON CAPITAL CORP. STABILIZED PROPERTIES

Combined Statements of Cash Flows
(in thousands of Canadian dollars)

Years ended December 31, 2011 and 2010

	2011	2010
Operating activities:		
Net income	$ 10,571	$ 18,030
Adjustments for:		
Amortization of leasing costs and straight-line rent	(124)	(415)
Finance costs	6,188	6,181
Fair value adjustments to investment properties	(2,419)	(10,149)
	14,216	13,647
Change in non-cash working capital	(333)	1,145
Interest paid on mortgages	(5,671)	(5,720)
Cash flows from operating activities	8,212	9,072
Investing activities:		
Additions to investment properties, net	(2,275)	(4,608)
Cash flows used in investing activities	(2,275)	(4,608)
Financing activities:		
Proceeds of mortgage financing	827	16,085
Mortgage principal payments	(3,240)	(14,848)
Mortgage transaction costs	(29)	(240)
Distribution to Huntingdon	(3,472)	(7,258)
Cash flows used in financing activities	(5,914)	(6,261)
Increase (decrease) in cash	23	(1,797)
Cash, beginning of year	95	1,892
Cash, end of year	$ 118	$ 95

See accompanying notes to combined financial statements.

1. Organization:

Huntingdon Capital Corp. Stabilized Properties as presented in these combined financial statements is not a legal entity. These combined financial statements and notes thereto represent the combination of 27 industrial, office, and retail properties located in Canada (the "Initial Properties"), that are owned directly or indirectly by Huntingdon Capital Corp. ("Huntingdon") and have been owned by Huntingdon directly or indirectly for all periods presented. Huntingdon is a real estate operating company incorporated under the laws of British Columbia whose principal activities include property ownership, development, and asset and property management services. The head office of Huntingdon is located at 2000 - 5000 Miller Road, Richmond, British Columbia, Canada.

The Initial Properties are to be acquired by FAM Real Estate Investment Trust (the “REIT”) upon completion of an initial public offering of units by the REIT (note 16).

2. Basis of preparation:

(a) Statement of compliance:

These combined financial statements present the results of operations and cash flows of the Initial Properties for the year ended December 31, 2011, along with the comparative results for the year ended December 31, 2010. These combined financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These are the Initial Properties' first annual combined financial statements prepared in accordance with IFRS and IFRS 1 *First-time Adoption of International Financial Reporting Standards* ("IFRS 1"), has been applied. An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Initial Properties is provided in note 15.

These combined financial statements were approved by the Board of Directors of Huntingdon and authorized for issue on December 17, 2012.

(b) Basis of preparation:

These combined financial statements present the financial position, results of operations and cash flows of the Initial Properties had the Initial Properties been accounted for on a stand-alone basis, and include the Initial Properties' share of the assets, liabilities, revenues and expenses. Management has extracted the information used to prepare these combined financial statements from the consolidated financial statements of Huntingdon.

2. Basis of preparation (continued):

Management believes that the preservation of historic fees and an allocation of other costs to the Initial Properties reflected a reasonable method of allocating an appropriate portion of the historic property operating and other costs of Huntingdon related to the management of the Initial Properties. Other corporate costs, such as public company and administrative costs of Huntingdon, have not been allocated to the combined financial statements.

These combined financial statements are not necessarily indicative of the results that would have been attained if the Initial Properties had been operated as a separate legal entity during the periods presented and, therefore, are not necessarily indicative of future operating results.

Because these properties were part of a corporate group, these combined financial statements depict the divisional surplus in net assets, representing the amount associated specifically with these properties.

Management's estimates, when necessary, have been used to prepare such allocation. Other corporate costs, such as public company and administrative costs of Huntingdon, have not been allocated to the combined financial statements.

(c) Basis of measurement:

These combined financial statements have been prepared on a going concern basis and historical cost basis except for the following material items:

- Investment properties are measured at fair value; and
- Financial instruments at fair value through profit or loss are measured at fair value.

These combined financial statements are presented in Canadian dollars, which is the Initial Properties' functional currency.

(d) Use of estimates and judgments:

The preparation of these combined financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses and disclosures of contingent assets and liabilities. Actual results could differ from the estimated amounts.

2. Basis of preparation (continued):

Estimates and ongoing assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

(i) Valuation of investment properties:

The critical estimates and assumptions underlying the valuation of investment properties include, among other things, rental revenue from current leases, reasonable and supportable assumptions that represent what knowledgeable, willing parties would assume about rental revenue from future leases in light of current conditions, less anticipated future cash outflows in respect of tenant installation costs and investment property operations; and capitalization and discount rates arrived at through an independent analysis of market data within the applicable market segment and geographical location.

(ii) Provisions:

The critical estimates and assumptions underlying the provision for decommissioning liabilities in relation to ground leases include, among other things, the estimated cost of restoration at the end of the ground leases, the likelihood of renewal and duration of the ground leases, the estimated rate of inflation and discount rates.

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the combined financial statements:

(i) Leases:

Management makes judgments in determining whether certain leases, in particular those leases with long contractual terms where the lessee is the sole tenant in a property and long-term ground leases where the Initial Properties is the lessee, are operating or finance leases. Management has determined that all tenant and ground leases are operating leases.

2. Basis of preparation (continued):

Information regarding other areas of estimation uncertainty are included in the following notes:

• Note 13 - allowance for doubtful accounts

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these combined financial statements.

(a) Joint arrangement:

One of the Initial Properties is owned through a co-ownership arrangement with additional parties. This property has been reflected in the Initial Properties' combined financial statements using the proportionate consolidation method and only includes the Initial Properties' share of the financial position and financial results of the property.

(b) Investment properties:

Investment properties include land and buildings held primarily to earn rental income or for capital appreciation or for both, rather than for administrative purposes, for use in the production or supply of goods and services or for sale in the ordinary course of business. Investment properties are measured initially at cost.

Subsequent to initial recognition, investment properties are recorded at fair value, determined based on available market evidence at the date of the combined statement of financial position. The changes in fair value in each reporting period are recorded in profit or loss in the period in which they arise. The carrying amount of investment properties includes straight-line rent receivable and direct leasing expenses such as tenant improvements and leasing commissions.

Leasing expenses which include commissions paid to external leasing agents and payments to tenants are included as components of the fair value of investment properties. Payments to tenants under lease obligations are characterized either as tenant improvements or as tenant inducements. The obligation is determined to be a tenant improvement when the payment to the tenant was spent on leasehold improvements. Otherwise, the obligations under the lease are treated as tenant inducements. Both tenant improvements and tenant inducements are amortized on a straight-line basis over the term of the lease as a reduction of revenue.

3. Significant accounting policies (continued):

Gains or losses from the disposal of investment properties are determined as the difference between the net disposal proceeds and the recorded fair value and are recognized through profit or loss in the period in which they arise.

(c) Leases:

Leases where the Initial Properties, as lessor, assumes substantially all the risks and rewards of ownership of its investment properties are classified as operating leases. Operating leases are not recognized in the combined statements of financial position. The Initial Properties, as lessee, has a number of ground leases from a Canadian airport authority in respect of land parcels in or around the airport. Management has determined that these ground leases are operating leases. Payments made and received under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received and granted are recognized as an integral part of the total lease expense over the term of the lease.

(d) Restricted cash:

Restricted cash includes amounts held in reserve for construction and tenant acquisition costs, capital improvements, deposits to secure letters of credit, and holdbacks as required by mortgage.

(e) Revenue recognition:

Revenue from investment properties includes rents from tenants under lease agreements, percentage rents, property tax and operating cost recoveries and other incidental income, and is recognized as revenue over the term of the underlying leases.

Rental revenue from investment properties with contractual rent increases are recognized on a straight-line basis over the term of the respective leases.

(f) Income taxes:

These combined financial statements do not reflect any income tax provision or deferred income taxes as the Initial Properties are not a legal entity. Income taxes, if any, are a liability of Huntingdon.

3. Significant accounting policies (continued):

(g) Financial instruments:

(i) Financial instruments have been designated as follows:

Description	Classification	Measurement
Cash	Loans and receivables	Amortized cost
Restricted cash	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable and other liabilities excluding interest rate swap	Other liabilities	Amortized cost
Interest rate swap	FVTPL	Fair value
Mortgages payable	Other liabilities	Amortized cost

(ii) Non-derivative financial assets:

The Initial Properties classifies its non-derivative financial assets as loans and receivables. Assets classified as loans and receivables are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

A provision for impairment is established when there is objective evidence that collection will not be possible under the original terms of the contract. Indicators of impairment include delinquency of payment and significant financial difficulty of the tenant. The carrying amount of the asset is reduced through an allowance account, and the amount of the loss is recognized in the combined statements of income and comprehensive income within property operating expenses. Bad debt write-offs occur when management determines collection is not possible. Any subsequent recoveries of amounts previously written off are credited against property operating expenses in the combined statements of income and comprehensive income. Trade receivables that are less than three months past due are not considered impaired unless there is evidence that collection is not possible. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortized cost on the reversal date. Any subsequent reversal of an impairment loss is recognized in net income.

3. Significant accounting policies (continued):

The Initial Properties derecognize a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Initial Properties is recognized as a separate asset or liability.

(iii) Non-derivative financial liabilities:

The Initial Properties classify non-derivative financial liabilities into the other liabilities category. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

(iv) Derivative financial liabilities:

Derivative financial instruments are recognized initially at fair value. Attributable transaction costs are recognized in profit or loss as incurred and are subsequently remeasured to their fair value at the end of each reporting period. Any resulting gain or loss is recognized to profit or loss immediately.

The Initial Properties enter into interest rate swap arrangements in order to reduce the impact of fluctuating interest rates on certain mortgages payable. The swap agreements require a periodic exchange of payments without the exchange of the notional principal amount on which the payments are based. In such cases, interest expense on the mortgages payable is adjusted to include the payments made or received under the interest rate swap arrangements. These swap arrangements are not designated as hedging instruments under IFRS.

(h) Provisions:

A provision is recognized if, as a result of a past event, the Initial Properties have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3. Significant accounting policies (continued):

In accordance with the terms of a ground lease, the lessor has the option of requiring the Initial Properties to restore the land when the lease expires, or is not renewed, and the land reverts to the lessor. A decommissioning liability for site restoration, and the related expenses, is recognized based on the present value of estimated future expenditures determined in accordance with local conditions and discounted using a risk-free interest rate. The amount of the present value of the provision is added to the cost of the related investment property. The decommissioning liability provision is remeasured at each reporting date with any value changes reflected in the cost of the related investment property. Changes in the fair value of the decommissioning liability provision are included in the fair value adjustment to investment properties.

(i) Finance costs:

Finance costs comprise interest expense on borrowings, gains or losses on the interest rate swap and amortization of transactions costs.

Transaction costs, associated with financial liabilities presented at amortized cost such as mortgages payable are presented with the related debt instrument and amortized using the effective interest rate method over the anticipated life of the related debt.

(j) Divisional surplus:

The Initial Properties are held by related entities that are all managed by Huntingdon. The properties that are wholly-owned by Huntingdon do not maintain their own cash accounts or financing arrangements. Divisional surplus represents the net of all capital and financing/cash transactions of the Initial Properties.

(k) Future changes in accounting policies:

Standards issued but not yet effective up to the date of issuance of these combined financial statements are described below. This description is of the standards and interpretations issued, which the Initial Properties reasonably expect to be applicable at a future date. The Initial Properties intend to adopt these standards when they become effective.

3. Significant accounting policies (continued):

IFRS 9, Financial Instruments, effective for annual periods beginning on or after January 1, 2015 replaces the guidance in *IAS 39, Financial Instruments: Recognition and Measurement* on the classification and measurement of financial instruments. IFRS 9 will use a single approach to determine whether a financial asset is measured at amortized cost or fair value. In addition, under IFRS 9 for financial liabilities measured at fair value, changes in fair value attributable to changes in credit risk will be recognized in other comprehensive income, with the remainder of the change recognized in profit or loss. However if this requirement creates or enlarges an accounting mismatch in profit or loss, the entire change in fair value will be recognized in profit or loss. The Initial Properties are currently evaluating the impact of IFRS 9 on the combined financial statements.

IFRS 10, Consolidated Financial Statements, effective for annual periods beginning on or after January 1, 2013, establishes principles for the presentation and preparation of combined financial statements when an entity controls one or more other entities. IFRS 10 supersedes *IAS 27, Consolidated and Separate Financial Statements* and *SIC-12, Consolidation - Special Purpose Entities.* The Initial Properties are currently evaluating the impact of IFRS 10 on the combined financial statements.

IFRS 11, Joint Arrangements, was issued and *IAS 28, Investments in Associates,* was amended in 2011, effective for periods beginning on or after January 1, 2013. IFRS 11 replaces the guidance in *IAS 13, Interest in Joint Ventures.* IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This will affect the accounting for jointly controlled entities which the Initial Properties currently proportionately consolidate under IFRS. IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. The Initial Properties are currently evaluating the impact of IFRS 11 and amendments to IAS 28 on the combined financial statements.

IFRS 12, Disclosure of Interests in Other Entities, effective for annual periods beginning on or after January 1, 2013, applies to entities that have an interest in a subsidiary, joint arrangement, an associate or an uncombined structured entity. The required disclosures aim to provide information in order to enable users to evaluate the nature of, and the risks associated with, an entity's interest in other entities and the effect of those interests on the entity's financial position, financial performance and cash flows. The Initial Properties are currently evaluating the impact of IFRS 12 on the combined financial statements.

(all tabular amounts are expressed in thousands of Canadian dollars)

3. Significant accounting policies (continued):

IFRS 13, Fair Value Measurements, effective for annual periods beginning on or after January 1, 2013, defines fair value, sets out a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies to IFRS standards that require or permit fair value measurement or disclosures about fair value measurements (and measurements such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances. The Initial Properties are currently evaluating the impact of IFRS 13 on the combined financial statements.

4. Investment properties:

	December 31, 2011	December 31, 2010
Balance, beginning of year	$ 187,870	$ 172,698
Additions:		
Capital expenditures	944	4,350
Direct leasing expenses	1,331	258
Provisions	18	–
Fair value adjustments	2,419	10,149
Amortization of leasing expenses and straight-line rents included in revenue, net	124	415
Balance, end of year	$ 192,706	$ 187,870

Investment properties are carried at fair value. Generally, the investment properties are valued either internally by management or externally by third party appraisers using a number of approaches including a discounted cash flow approach, a direct capitalization approach and a direct comparison approach.

At December 31, 2011, the Initial Properties had 5 (December 31, 2010 - 10; January 1, 2010 - 10) properties with an aggregate fair value of $34.1 million (December 31, 2010 - $71.6 million; January 1, 2010 - $62.9 million) appraised by third party valuators. The remainder of the portfolio was internally valued. Each investment property is subject to an external appraisal on a rotating schedule.

(all tabular amounts are expressed in thousands of Canadian dollars)

4. Investment properties (continued):

The fair value of the investment properties is based upon, among other things, rental income from current leases and assumptions about rental income from future leases reflecting market conditions at the applicable reporting dates, less future cash outflows in respect of such leases. Valuations are most sensitive to changes in discount rates and capitalization rates. Under the discounted cash flow approach, fair values were determined by discounting the expected future cash flows, generally over a term of 10 years including a terminal value based on the application of a terminal capitalization rate.

The key valuation metrics for the investment properties are set out in the following table:

	December 31, 2011			December 31, 2010			January 1, 2010		
	Discount rate	Terminal cap rate	Cap rate	Discount rate	Terminal cap rate	Cap rate	Discount rate	Terminal cap rate	Cap rate
Minimum	7.75%	7.25%	7.00%	8.00%	7.25%	7.00%	8.25%	7.50%	7.50%
Maximum	9.25%	9.00%	9.00%	10.00%	9.75%	9.50%	10.25%	10.00%	9.25%

An investment property with a fair value of approximately $8.5 million at December 31, 2011 (December 31, 2010 - $7.6 million; January 1, 2010 - $7.6 million) is situated on a ground lease expiring in 2036.

Investment properties with a fair value of $190.0 million (December 31, 2010 - $185.2 million) were pledged as security for mortgages payable.

Investment properties with a fair value of $13.7 million (December 31, 2010 - $13.9 million) are pledged as security for a mortgage held by Huntingdon in the amount of $4.3 million (December 31, 2010 - $4.3 million). Monthly payments are interest only until maturity of the mortgage in September 2012.

5. Accounts payable and other liabilities:

	December 31, 2011	December 31, 2010	January 1, 2010
Trade payables and accrued liabilities	$ 2,532	$ 3,642	$ 1,929
Tenant inducements and deposits	170	169	133
Deferred revenue	265	79	54
	$ 2,967	$ 3,890	$ 2,116

(all tabular amounts are expressed in thousands of Canadian dollars)

6. Mortgages payable:

Mortgages comprise of the following:

	December 31, 2011	December 31, 2010	January 1, 2010
Mortgages payable	$ 99,003	$ 101,410	$ 100,136
Transaction costs	(438)	(574)	(624)
	98,565	100,836	99,512
Less: current portion	28,308	31,082	30,692
	$ 70,257	$ 69,754	$ 68,820
Range of interest	4.13% - 7.06%	5.25% - 7.06%	4.40% - 7.06%
Weighted average interest rate	5.68%	5.76%	5.82%
Maturity range	2012 and 2025	2011 and 2025	2010 and 2025
Weighted average term to maturity	3.25 years	3.47 years	3.71 years

Mortgages are secured by mortgage charges registered against the title of specific investment properties, assignment of book debts, assignment of rents and repayment guarantees. One mortgage of $4.4 million (December 31, 2010 - $4.6 million) is secured by three properties, including one property held by Huntingdon.

The Initial Properties are required to maintain annual debt service ratios for certain mortgages. As of December 31, 2011, the Initial Properties did not meet the debt service ratio for one mortgage in the amount of $2.5 million (December 31, 2010 - three mortgages in the amount of $9.0 million; January 1, 2010 - three mortgages in the amount of $11.3 million) that matures in 2013. A waiver has been obtained for the mortgage, and is continuing to be repaid in accordance with the terms of the original mortgage. This mortgage is being disclosed in current mortgages payable.

Future principal payments, excluding amortization of transaction costs, as at December 31, 2011 are as follows:

2012	$ 28,308
2013	16,727
2014	2,060
2015	21,550
2016	23,029
Thereafter	7,329

(all tabular amounts are expressed in thousands of Canadian dollars)

7. Provisions:

The land lease provides the lessor with the option of requiring the Initial Properties to decommission the attached improvements at the end of the land lease, and as a result, a provision for this decommissioning liability has been established considering the cost of decommissioning at the end of the land lease term. Using a risk free discount rate and assuming 2 percent inflationary growth, the present value of the decommissioning liability has been accrued in the combined financial statements. The measurement of the decommissioning liability will occur on each reporting date and fair value changes will be recorded as an adjustment to investment properties.

	December 31, 2011	December 31, 2010
Balance, beginning of year	$ 317	$ 317
Accretion	18	–
Balance, end of year	$ 335	$ 317

8. Joint arrangement:

The Initial Properties' interest in a co-owned property has been recorded at its proportionate share of the related assets, liabilities, revenues and expenses of the property. The property is located at 220 Portage Avenue, Winnipeg, with the proportionate ownership interest being 50% for all periods reported.

(all tabular amounts are expressed in thousands of Canadian dollars)

8. Joint arrangement (continued):

Summarized financial information in respect of the Initial Properties' interest in the co-owned property is as follows

	December 31, 2011	December 31, 2010	January 1, 2010
Non-current assets	$ 13,600	$ 13,100	$ 11,950
Current assets	139	130	10
Total assets	13,739	13,230	11,960
Non-current liabilities	5,922	6,051	6,174
Current liabilities	394	440	263
Total liabilities	6,316	6,491	6,437
Net assets	$ 7,423	$ 6,739	$ 5,523
Revenue from investment properties	$ 1,954	$ 1,873	
Property operating expenses	(1,269)	(1,261)	
Property operating income	685	612	
Fair value adjustments to investment property	215	1,526	
Net income and comprehensive income	$ 900	$ 2,138	

9. Finance costs:

Finance costs are comprised of the following:

	December 31, 2011	December 31, 2010
Mortgage interest	$ 5,669	$ 5,719
Loss on interest rate swap	348	135
Amortization of mortgage transaction costs	171	327
	$ 6,188	$ 6,181

(all tabular amounts are expressed in thousands of Canadian dollars)

10. General and administration:

General and administration expenses are comprised of the following:

	December 31, 2011	December 31, 2010
Professional fees	$ 72	$ 31
General and administration	4	7
	$ 76	$ 38

Included in property operating expenses are salaries and wages of $0.8 million (December 31, 2010 - $0.6 million).

11. Operating leases:

Leases as lessee:

The Initial Properties lease land from a local airport authority at an airport in Central Canada. This lease contains rights of renewal and of first refusal, extending until 2036. The agreement provides for the increase of lease payments every 5 years to reflect market rentals.

During the year ended December 31, 2011, an amount of $0.3 million was recognized as an expense in profit or loss in respect of such operating leases (December 31, 2010 - $0.3 million).

Future minimum operating lease payments as at December 31, 2011, using current established rates, are as follows:

2012	$ 366
2013	366
2014	366
2015	366
2016	366
Thereafter	7,159

11. Operating leases:

Leases as lessor:

The Initial Properties lease out their investment properties under operating leases. The future minimum rental receipts under non-cancellable tenant leases are as follows:

Not later than 1 year	$	14,828
Later than 1 year and not later than 5 years		43,808
Later than 5 years		46,386

12. Commitments and contingencies:

In the normal course of operations, the Initial Properties will become subject to a variety of legal and other claims. Management and legal counsel evaluate all claims on their apparent merits, and accrue management's best estimate of the estimated costs to satisfy such claims. Although the outcome of legal and other claims are not reasonably determinable, management believes that any such outcome will not have a material adverse effect on these combined financial statements.

13. Financial risk management and fair values:

Risk management:

In the normal course of business, the Initial Properties are exposed to financial risk that arises from their financial instruments, including fluctuations in interest rates and in the credit quality of its tenants. Management's involvement in operations helps identify risks and variations from expectations. Other than the use of an interest rate swap related to its floating rate mortgages payable, the Initial Properties do not use hedging transactions to manage risk. As a part of the overall operation of the Initial Properties, management takes steps to avoid undue concentrations of risk. The Initial Properties manage the risks as follows:

Liquidity risk:

Liquidity risk is the risk that the Initial Properties will not have sufficient cash, debt and capital available to satisfy their debt and other financial obligations as they mature.

The principal liquidity needs arise from working capital requirements, debt servicing and repayment obligations, planned funding of maintenance and leasing costs.

(all tabular amounts are expressed in thousands of Canadian dollars)

13. Financial risk management and fair values (continued):

The above liquidity needs are funded from cash flows from operating the investment property portfolio, with the exception of debt repayment obligations. These are funded from refinancing maturing debt or financing unencumbered properties. The particular features and quality of the underlying assets being financed and the debt market parameters existing at the time will affect the success of this strategy.

There is a risk that lenders will not refinance maturing debt on terms and conditions acceptable to management or on any terms at all. The risk associated with the refinancing of maturing debt is mitigated as the maturity dates of the mortgage portfolio are staggered over a number of years and by limiting the use of floating interest rate debt. As at December 31, 2011, the weighted average term to maturity of the mortgage portfolio is 3.25 years (December 31, 2010 - 3.47 years).

The following are the estimated maturities of the financial liabilities excluding the interest rate swap liability as at December 31, 2011:

	Total	Less than 1 year	1 – 3 years	4 - 5 years	After 5 years
Accounts payable and accrued liabilities	$ 1,975	$ 1,975	$ –	$ –	$ –
Mortgages payable	115,149	33,394	25,213	48,176	8,366
Total	$ 117,124	$ 35,369	$ 25,213	$ 48,176	$ 8,366

Market risk:

All of the investment properties are focused on Canadian real estate. Market risk is the risk that changes in market prices will have an effect on future cash flows associated with financial instruments. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

Interest rate risk:

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk.

Interest rate cash flow risk is minimized by having the majority of the mortgages on fixed term arrangements. In addition, the maturity dates of the mortgages are staggered over a number of years to reduce the exposure in any one year.

13. Financial risk management and fair values (continued):

The Initial Properties also utilize an interest rate swap agreement in order to fix the interest rate on a floating rate mortgage. The swap transaction fixes the rate of interest at 5.89% and matures on January 3, 2025. The outstanding balance of the floating rate mortgage as at December 31, 2011 is $4.6 million (December 31, 2010 - $4.8 million). The cumulative unrealized loss as at December 31, 2011 of $1.0 million (December 31, 2010 - $0.6 million) is included in accounts payable and other liabilities.

The Initial Properties have floating rate mortgages on investment properties (excluding the mortgage associated with the interest rate swap arrangement) comprised of $11.5 million or 11.6% (December 31, 2010 - $16.1 million or 15.7%) of the total mortgages on investment properties as at December 31, 2011. Had the interest rate changed by a differential of 100 basis points, financing cost would have changed by approximately $0.1 million (December 31, 2010 - $0.2 million).

Currency risk:

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. The Initial Properties have no significant transactions denominated in a foreign currency and is not exposed to foreign currency risk.

Other price risk:

Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associated with financial instruments. The cash flows associated with financial instruments of the Initial Properties are not exposed to other significant price risk.

Credit risk:

Credit risk arises from the possibility that tenants may be unable to fulfill their lease commitments. The Initial Properties control risks by avoiding undue concentration of assets in any geographic location, in any industry or with any specific tenants. This risk is further mitigated by signing long-term leases with tenants who have investment-grade credit ratings.

The Initial Properties have credit policies to address credit risk, which are applied during lease negotiations and which may include the analysis of the financial position of the debtor, review of credit limits, review of credit history and credit performance. An allowance for doubtful accounts or other impairment provisions are established based upon factors surrounding credit risk, historical trends and other information.

(all tabular amounts are expressed in thousands of Canadian dollars)

13. Financial risk management and fair values (continued):

A financial asset is past due when a debtor has failed to make a payment when contractually due. An aging of receivables is:

	December 31, 2011	December 31, 2010
Accounts receivable:		
0 to 30 days	$ 328	$ 511
30 to 60 days	7	21
More than 60 days	13	189
Allowance for doubtful accounts	(52)	(74)
	$ 296	$ 647

Fair values:

The Initial Properties use various methods in estimating fair values recognized in the combined financial statements. The fair value hierarchy reflects the significance of inputs used in determining fair values.

- Level 1 - quoted prices in active markets;
- Level 2 - inputs other than quoted prices in active markets or valuation techniques where significant inputs are based on observable market data; and
- Level 3 - valuation technique for which significant inputs are not based on observable market data.

Under the fair value hierarchy, the interest rate swap is measured using a Level 2 methodology. There are no financial instruments valued using a Level 1 or Level 3 methodology.

The fair values of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and other liabilities approximate their carrying amounts due to the relatively short periods to maturity of these financial instruments.

The fair value of mortgages payable have been determined by discounting the cash flows of these financial obligations using period end market rates for debt of similar terms and credit risks. Based on these assumptions, the fair value of mortgages payable at December 31, 2011 has been estimated at $100.1 million (December 31, 2010 - $102.5 million; January 1, 2010 - $101.8 million) compared with the carrying value of $99.0 million (December 31, 2010 - $101.4 million; January 1, 2010 - $100.1 million).

(all tabular amounts are expressed in thousands of Canadian dollars)

14. Capital management and liquidity:

The capital structure of the Initial Properties is comprised of the following:

	December 31, 2011	December 31, 2010	January 1, 2010
Mortgages payable	$ 98,565	$ 100,836	$ 99,512
Divisional surplus	92,254	85,155	74,383
	$ 190,819	$ 185,991	$ 173,895

The Initial Properties manage capital in order to meet repayment obligations under mortgage facilities, to ensure that there are funds available to finance operations, to be able to continue as a going concern, and to ensure an appropriate balance of risk and return.

The overall capital management strategy addresses the following considerations:

- The equity component of acquired investment properties is primarily funded from the proceeds of debt.
- Mortgage debt financing is arranged to optimize the leveraged returns from the real estate investment portfolio.
- The Initial Properties will generally endeavour to obtain a fixed rate of interest on mortgage financing.
- Mortgage due dates are structured to reflect the nature of the leases and the properties being financed and debt maturity dates will be staggered, to the extent practicable, in order to manage refinancing risk.

The Initial Properties monitor capital from time to time using a variety of measures which are applicable to the real estate industry. Monitoring procedures are typically performed as a part of the overall management of operations and are performed with the goal of enhancing the ability of the Initial Properties to access capital and/or reduce the cost of capital.

(all tabular amounts are expressed in thousands of Canadian dollars)

15. Transition to IFRS:

As stated in note 2, the Initial Properties have adopted IFRS effective January 1, 2010 and have prepared the opening IFRS combined statement of financial position as at that date. The accounting policies set out in note 3 have been applied in preparing the combined financial statements for the year ended December 31, 2011, December 31, 2010 and as at January 1, 2010. Prior to the adoption of IFRS, the Initial Properties prepared their financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

(a) Exemptions from full restrospective application:

First time adopters of IFRS must apply the provisions of IFRS 1. In preparing these combined financial statements in accordance with IFRS 1, the Initial Properties have applied the mandatory exemption from full retrospective application of IFRS for estimates. The mandatory exemption requires that estimates previously determined under Canadian GAAP cannot be revised due to the application of IFRS, except when necessary to reflect differences in accounting policies.

In addition, in preparing these combined financial statements in accordance with IFRS 1, the Initial Properties have applied the business combination exemption in IFRS 1 to not apply IFRS 3, *Business Combinations*, retrospectively to past business combinations. Accordingly, the Initial Properties have not restated business combinations that took place prior to the January 1, 2010 transition date.

(b) The following is a reconciliation of the Initial Properties' divisional surplus reported in accordance with Canadian GAAP to its divisional surplus reported in accordance with IFRS at the transition date:

	Note		
As reported under Canadian GAAP - January 1, 2010		$	37,458
Differences increasing reported amount:			
Investment properties	d(i)		36,925
As reported under IFRS - January 1, 2010		$	74,383

(all tabular amounts are expressed in thousands of Canadian dollars)

15. Transition to IFRS (continued):

The following is a reconciliation of the Initial Properties' divisional surplus reported in accordance with Canadian GAAP to its divisional surplus reported in accordance with IFRS at December 31, 2010:

	Note		
As reported under Canadian GAAP - December 31, 2010		$	33,166
Differences increasing reported amount:			
Investment properties	d(i)		51,989
As reported under IFRS - December 31, 2010		$	85,155

(c) The following is a reconciliation of the Initial Properties' net income reported in accordance with Canadian GAAP to its net income reported in accordance with IFRS for the year ended December 31, 2010:

	Note		
Net income as reported under Canadian GAAP		$	2,966
Adjustments increasing reported amount:			
Investment properties	d(i)		15,064
Net income as reported under IFRS		$	18,030

15. Transition to IFRS (continued):

(d) Changes as a result of transition to IFRS:

(i) Investment properties:

(a) Fair value adjustment:

The Initial Properties considers its real estate properties to be investment properties under IAS 40 *Investment Property* ("IAS 40"). Investment property includes land and buildings held primarily to earn rental income and/or capital appreciation. Similar to Canadian GAAP, investment property is initially recorded at cost under IAS 40. However, subsequent to initial recognition, IFRS requires that an entity choose either the cost or fair value model to account for investment property. The Initial Properties have elected to use the fair value model. This adjustment to divisional surplus represents the cumulative unrealized gain in respect of the Initial Properties' investment properties, inclusive of related intangible assets and liabilities, straight-line rent receivable and leasing expenses which were recorded separately under previous Canadian GAAP. Under previous Canadian GAAP, investment properties and related intangible and deferred assets were carried on the combined statement of financial position at cost less accumulated amortization.

(b) Depreciation and amortization:

Under the fair value model, depreciation and amortization on investment properties and certain leasing expenses are no longer recorded, which results in an increase to net income during the 2010 reporting period.

(c) Leasing costs:

Leasing costs, such as tenant inducements, tenant improvements and leasing commissions, previously disclosed as other assets are now included as a component of investment properties. Any amounts amortized during 2010 for leasing expenses were reversed except for amortization of tenant inducements which are reclassified as an adjustment to revenue.

(d) Straight-line rent:

Straight-line rent previously disclosed in other assets is now included as a component of investment properties.

15. Transition to IFRS (continued):

(e) Above-market and below-market leases:

Under Canadian GAAP, the purchase price of an acquired property was recorded in several components, including an intangible asset for above-market leases and intangible liability for below-market leases. These assets and liabilities were amortized against revenue over the term of the underlying leases. Under IFRS, no intangible assets or liabilities are recorded during the purchase transaction. Above-market and below-market leases were reclassified to investment properties.

Any amounts amortized against revenue during 2010 for above-market and below-market leases were reversed.

(g) Asset retirement obligations:

Under Canadian GAAP, the Initial Properties recorded a liability and offsetting asset for retirement obligations for one of its land lease properties. Under IFRS, the requirement to remediate these properties is now treated as a decommissioning liability provision and was remeasured in accordance with IFRS, resulting in an increase to the decommissioning liability and related investment properties.

(ii) Changes to cash flow statement:

There were no material adjustments to the cash flow statement as a result of the transition to IFRS.

16. Subsequent event:

On December 17, 2012, the REIT entered into an underwriting agreement, whereby the REIT is expected to raise gross proceeds of $58.8 million through the issuance of 5,880,000 Offered Units of the REIT. Each Offered Unit consists of one trust unit of the REIT and one quarter of one trust unit purchase warrants of the REIT at $10 per Offered Unit pursuant to an Initial public Offering (the “Offering”).

The closing of the Offering and acquisition of the Initial Properties by the REIT are scheduled to occur on or about December 28, 2012.

Combined Financial Statements of

HUNTINGDON CAPITAL CORP.
STABILIZED PROPERTIES

Years ended December 31, 2010 and 2009

INDEPENDENT AUDITORS' REPORT

To the Directors of Huntingdon Capital Corp.

We have audited the accompanying combined financial statements of Huntingdon Capital Corp. Stabilized Properties, which comprise the combined balance sheets as at December 31, 2010 and December 31, 2009, the combined statements of income and comprehensive income, divisional surplus, and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements present fairly, in all material respects, the combined financial position of Huntingdon Capital Corp. Stabilized Properties as at December 31, 2010 and December 31, 2009, and its combined results of operations and its combined cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

(Signed) KPMG LLP

Chartered Accountants

December 17, 2012

Winnipeg, Canada

HUNTINGDON CAPITAL CORP. STABILIZED PROPERTIES

Combined Balance Sheets

As at December 31, 2010 and 2009
(expressed in thousands of Canadian dollars)

		2010		2009
Assets				
Income properties (note 3)	$	123,403	$	122,490
Intangible assets (note 4)		8,283		9,569
Other assets (note 5)		6,422		5,514
Cash		95		1,892
	$	138,203	$	139,465
Liabilities and Divisional Surplus				
Mortgages payable (note 6)	$	100,836	$	99,512
Intangible liabilities (note 7)		311		379
Accounts payable and accrued liabilities		3,890		2,116
		105,037		102,007
Divisional surplus		33,166		37,458
Commitments and contingencies (note 13)				
Subsequent event (note 14)				
	$	138,203	$	139,465

See accompanying notes to combined financial statements.

HUNTINGDON CAPITAL CORP. STABILIZED PROPERTIES

Combined Statements of Income and Comprehensive Income

Years ended December 31, 2010 and 2009
(expressed in thousands of Canadian dollars)

	2010	2009
Revenue:		
Rentals from income properties	$ 21,947	$ 22,571
Interest and other income	26	–
	21,973	22,571
Expenses:		
Property operating costs	(7,915)	(8,718)
	14,058	13,853
Finance costs (note 8)	(6,181)	(6,193)
General and administration	(38)	(6)
Amortization	(4,873)	(5,093)
	(11,092)	(11,292)
Net income and comprehensive income	$ 2,966	$ 2,561

See accompanying notes to combined financial statements.

HUNTINGDON CAPITAL CORP. STABILIZED PROPERTIES

Combined Statements of Divisional Surplus

Years ended December 31, 2010 and 2009
(expressed in thousands of Canadian dollars)

	2010	2009
Balance, beginning of year	$ 37,458	$ 36,388
Net income	2,966	2,561
Net distribution to Huntingdon	(7,258)	(1,491)
Divisional surplus	$ 33,166	$ 37,458

See accompanying notes to combined financial statements.

HUNTINGDON CAPITAL CORP. STABILIZED PROPERTIES

Combined Statements of Cash Flows

Years ended December 31, 2010 and 2009
(expressed in thousands of Canadian dollars)

	2010	2009
Cash provided by (used in):		
Operating activities:		
Net income	$ 2,966	$ 2,561
Adjustments for:		
Amortization of above-market leases (note 4)	123	142
Amortization of below-market leases (note 7)	(68)	(114)
Amortization	4,873	5,093
Amortization of transaction costs	327	240
Unrealized loss on interest rate swap (note 8)	135	4
Straight-line rent	(637)	(213)
	7,719	7,713
Leasing expenditures	(258)	(714)
Change in non-cash operating balances	1,353	(1,100)
Cash flows from operating activities	8,814	5,899
Financing activities:		
Proceeds of mortgages financing	16,085	770
Mortgage transaction costs	(240)	(23)
Mortgage principal repaid	(14,848)	(4,903)
Distribution to Huntingdon	(7,258)	(1,491)
Cash flows used in financing activities	(6,261)	(5,647)
Investing activities:		
Additions to income properties	(4,350)	(260)
Decrease in cash	(1,797)	(8)
Cash, beginning of year	1,892	1,900
Cash, end of year	$ 95	$ 1,892

See accompanying notes to combined financial statements.

1. Nature of operations:

Huntingdon Capital Corp. Stabilized Properties as presented in these combined financial statements is not a legal entity. These combined financial statements and notes thereto represent the combination of 27 industrial, office, and retail income properties located in Canada ("the Initial Properties") that are owned directly or indirectly by Huntingdon Capital Corp. ("Huntingdon") and have been owned by Huntingdon directly or indirectly for all periods presented. Huntingdon is a real estate operating company incorporated under the laws of British Columbia whose principal activities include property ownership, development, and asset and property management services.

The Initial Properties are to be acquired by FAM Real Estate Investment Trust (the "REIT") upon completion of an initial public offering of units by the REIT (note 14).

2. Significant accounting policies:

The combined financial statements of the Initial Properties are prepared in accordance with Canadian generally accepted accounting principles (CGAAP).

(a) Basis of presentation:

These combined financial statements present the financial position, results of operations and cash flows of the Initial Properties had the Initial Properties been accounted for on a stand-alone basis, and include the Initial Properties' share of the assets, liabilities, revenue and expenses. Management has extracted the information used to prepare these combined financial statements from the consolidated financial statements of Huntingdon.

Management believes that the preservation of historic fees and an allocation of other costs to the Initial Properties reflected a reasonable method of allocating an appropriate portion of the historic property operating and other costs of Huntingdon related to the management of the Initial Properties. Other corporate costs, such as a public company and administrative costs of Huntingdon, have not been allocated to the combined financial statements.

These combined financial statements are not necessarily indicative of the results that would have been attained if the Initial Properties had been operated as a separate legal entity during the years presented and, therefore, are not necessarily indicative of future operating results.

2. Significant accounting policies (continued):

Because these properties were part of a corporate group, these combined financial statements depict the divisional surplus in net assets, representing the amount associated specifically with these properties. Management's estimates, when necessary, have been used to prepare such allocation. Other corporate costs, such as public company and administrative costs of Huntingdon, have not been allocated to the combined financial statements.

(b) Income properties and intangible assets and liabilities:

Income properties are comprised of several components including land, buildings and fixtures and the cost of acquired in-place leases including the value of above-market and below-market leases.

Income properties and intangible assets are carried at cost less accumulated amortization. If events or circumstances indicate that the carrying value of the income properties and intangible assets may be impaired, a recoverability analysis is performed based upon estimated undiscounted cash flows to be generated from the income properties. If the analysis indicates that the carrying value is not recoverable from future cash flows, the income properties and intangible assets are written down to estimated fair value based on discounted cash flows and an impairment loss is recognized.

Amortization on buildings and building improvements and fixtures is recorded on a straight-line basis over the remaining useful life, being 3 to 55 years. Improvements that do not meet the capitalization criteria are expensed in full in the period incurred.

Lease origination costs, in-place leases, above-market and below-market leases and tenant relationships are amortized over the remaining term of the respective leases.

2. Significant accounting policies (continued):

(c) Other assets:

Leasing expenses, such as tenant inducements, tenant improvements and leasing commissions are deferred and amortized on a straight-line basis over the term of the respective leases.

Payments to tenants under lease obligations are characterized either as tenant improvements owned by the Initial Properties or as tenant inducements provided to the tenant. When the obligation is determined to be tenant improvements owned by the Initial Properties, the Initial Properties are considered to have acquired an asset which is amortized through expense. If the Initial Properties determine that for accounting purposes they are not the owner of the tenant inducements, then the obligations under the lease are treated as incentives that are amortized as a reduction to revenue.

(d) Restricted cash:

Restricted cash includes amounts held in reserve for construction and tenant acquisition costs, capital improvements, deposits to secure letters of credit, and holdbacks as required by mortgage.

(e) Revenue recognition:

When the Initial Properties retain substantially all of the benefits and risks of ownership of its income properties, it accounts for its leases with tenants as operating leases. Rents are recognized as revenue over the terms of the related lease agreements. Rental revenue from leases with contractual rent increases are recognized on a straight-line basis over the term of the respective leases. Recoveries from tenants for property operating costs and property taxes are recognized as revenues during the period in which the applicable costs are incurred.

(f) Income taxes:

These combined financial statements do not reflect any income tax provision or deferred income taxes as the Initial Properties are not a legal entity. Income taxes, if any, are a liability of Huntingdon.

2. Significant accounting policies (continued):

(g) Financial instruments:

All financial instruments are required to be measured at fair value on initial recognition, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other liabilities. Transactions to purchase or sell financial assets are recorded on the settlement date.

Financial assets and financial liabilities classified as held-for-trading are measured at fair value with gains and losses recognized in net earnings. Financial assets classified as held-to-maturity, loans and receivables and other financial liabilities (other than those held-for-trading) are measured at amortized cost using the effective interest method of amortization.

Net gains and losses arising from changes in fair value of loans and receivables, held-to-maturity investments, and other liabilities are recognized in net income upon derecognition or impairment. The Initial Properties do not reclassify a financial instrument into or out of the held-for-trading category while it is held or issued except in rare circumstances.

Derivative instruments are recorded on the balance sheet at fair value including those derivatives that are embedded in a financial instrument or other contract but are not closely related to the host financial instrument or contract, respectively. Changes in the fair values of derivative instruments are recognized in net earnings, except for derivatives that are designated as cash flow hedges, in which case the fair value change for the effective portion of such hedging relationships are recognized in other comprehensive income.

Financial instruments have been designated as follows:

Description	Classification	Measurement
Cash	Held-for-trading	Fair value
Other assets:		
Restricted cash	Held-for-trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Future rent receivable	Loans and receivables	Amortized cost
Mortgages payable	Other liabilities	Amortized cost
Accounts payable and accrued liabilities excluding interest rate swap	Other liabilities	Amortized cost
Interest rate swap	Held-for-trading	Fair value

2. Significant accounting policies (continued):

Transaction costs are expensed as incurred for financial instruments classified or designated as held-for-trading. For other financial instruments, transaction costs are added to the related financial asset or liability on initial recognition and are measured at amortized cost using the effective interest method. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

The Initial Properties assess impairment of all its financial assets, except those classified as held for trading. Management considers whether there has been a breach in contract, such as default of delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Impairment is measured as the difference between the asset's carrying value and its fair value. Impairment is included in net income.

(h) Derivative financial instruments:

Derivative financial instruments are utilized to reduce interest rate risk on the Initial Properties' debt. Management does not enter into financial instruments for trading or speculative purposes. Interest rate swap agreements are used as part of management's program to manage the fixed and floating interest rate mix of the total debt portfolio and related overall cost of borrowing. The agreements are not designated as cash flow hedges and are carried at fair value with resulting gains and losses recorded in net income.

(i) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from the estimates, and as adjustments become necessary, the adjustments are reported in earnings in the period in which the adjustments become known.

Management has determined that significant items subject to such estimates include the valuation of accounts receivable and the remaining useful life of income properties acquired.

(expressed in thousands of Canadian dollars)

3. Income properties:

December 31, 2010	Cost	Accumulated amortization	Net book value
Land	$ 19,309	$ –	$ 19,309
Buildings, building improvements and fixtures	119,969	15,875	104,094
	$ 139,278	$ 15,875	$ 123,403

December 31, 2009	Cost	Accumulated amortization	Net book value
Land	$ 19,309	$ –	$ 19,309
Buildings, building improvements and fixtures	115,651	12,470	103,181
	$ 134,960	$ 12,470	$ 122,490

Amortization of income properties was $3.4 million (2009 - $3.4 million) for the year ended December 31, 2010.

4. Intangible assets:

December 31, 2010	Cost	Accumulated amortization	Net book value
Lease origination costs	$ 9,077	$ 3,937	$ 5,140
In-place leases	3,294	1,601	1,693
Tenant relationships	408	242	166
Above-market leases	1,923	639	1,284
	$ 14,702	$ 6,419	$ 8,283

December 31, 2009	Cost	Accumulated amortization	Net book value
Lease origination costs	$ 10,477	$ 4,523	$ 5,954
In-place leases	4,072	2,080	1,992
Tenant relationships	602	387	215
Above-market leases	1,923	515	1,408
	$ 17,074	$ 7,505	$ 9,569

(expressed in thousands of Canadian dollars)

4. Intangible assets (continued):

Amortization of intangible assets, excluding above-market leases, was $1.2 million (2009 - $1.4 million) for the year ended December 31, 2010. Amortization of above market leases was $0.1 million (2009 - $0.1 million) for the year ended December 31, 2010 and is charged to rental revenue from income properties.

5. Other assets:

	2010	2009
Leasing expenses (net of accumulated amortization of $0.8 million (2009 - $0.8 million))	$ 1,345	$ 1,360
Restricted cash	1,538	1,213
Prepaid expenses	48	45
Accounts receivable	309	176
Other receivables	338	514
Straight-line rent receivable	2,844	2,206
	$ 6,422	$ 5,514

Amortization of leasing expenses was $0.3 million (2009 - $0.4 million) for the year ended December 31, 2010.

6. Mortgages payable:

Mortgages payable consists of the following:

	2010	2009
Mortgages payable	$ 101,410	$ 100,136
Transaction costs	(574)	(624)
	$ 100,836	$ 99,512

Range of interest rates	5.25% - 7.06%	4.40% - 7.06%
Weighted average interest rate	5.76%	5.82%
Maturity ranges	2011 and 2025	2010 and 2025
Weighted average term to maturity	3.47 years	3.71 years

Mortgages are secured by mortgage charges registered against the title of specific income properties, assignments of book debts, assignments of rents and repayment guarantees. One mortgage of $4.6 million (December 31, 2009 - $4.7 million) is secured by three properties, including one property held by Huntingdon.

(expressed in thousands of Canadian dollars)

6. Mortgages payable (continued):

The Initial Properties are required to maintain annual debt service ratios for certain mortgages. As of December 31, 2010, the Initial Properties did not meet the debt service ratio for three mortgages in the amount of $9.0 million (2009 – three mortgages in the amount of $11.3 million). Although these mortgages are treated as demand mortgages and are reflected as repayable in 2011, it is anticipated that the lender will permit the mortgages to be repaid in accordance with its original terms of maturity.

Three of the Initial Properties are pledged as security for a mortgage held by Huntingdon in the amount of $4.3 million (December 31, 2009 – $4.3 million). Monthly payments are interest only until maturity of the mortgage in September 2012.

Future principal payments, excluding amortization of transaction costs as at December 31, 2010 are as follows:

2011	$	31,082
2012		14,477
2013		16,228
2014		1,541
2015		20,997
Thereafter		17,085

7. Intangible liabilities:

December 31, 2010		Cost		Accumulated amortization		Net book value
Below-market leases	$	909	$	598	$	311

December 31, 2009		Cost		Accumulated amortization		Net book value
Below-market leases	$	1,238	$	859	$	379

Amortization of below-market leases was $0.1 million (2009 - $0.1 million) for the year ended December 31, 2010 and is credited to rental revenue from income properties.

(expressed in thousands of Canadian dollars)

8. Finance costs:

Finance costs are comprised of the following:

	2010	2009
Mortgages interest	$ 5,719	$ 5,949
Change in value of interest rate swap	135	4
Amortization of transaction costs	327	240
	$ 6,181	$ 6,193

9. Co-ownership:

The Initial Properties participate in a co-ownership arrangement with another party at a property in Winnipeg, Manitoba and account for their interest using the proportionate consolidation method. The following amounts represent the Initial Properties' proportionate share of assets, liabilities, revenues, expenses, and cash flows therein.

	2010	2009
Balance sheet:		
Assets	$ 9,895	$ 10,153
Liabilities	6,533	6,481
Income statement:		
Revenue	1,840	2,060
Property operating costs	911	1,090
	929	970
Cash flows:		
Cash flows from operating activities	266	98
Cash flows used in investing activities	(56)	(59)
Cash flows used in financing activities	(116)	(109)

10. Related party transactions:

Related party transactions have occurred in the normal course of operations and are measured at the exchange amount which is the amount established and agreed by the related parties. Shelter Canadian Properties Limited (SCPL) and, its parent company, 2668921 Manitoba Ltd. were related parties of the Initial Properties by virtue of the fact that all outstanding shares of 2668921 Manitoba Ltd. are owned by the family trust of a former officer and trustee of Huntingdon.

(expressed in thousands of Canadian dollars)

10. Related party transactions (continued):

Property management agreement:

In 2005, Huntingdon entered into a property management agreement, for an initial term expiring February 23, 2010, with SCPL. Under the property management agreement, SCPL administered the day-to-day operations of the portfolio of income properties. The Initial Properties paid property management fees equal to 4 percent of gross receipts. SCPL was also entitled to leasing fees on new leases of 3 percent to 5 percent of base rental payments and leasing fees on renewals of 1 ½ percent to 2 ½ percent of base rental payments and to tenant improvement a renovation fee equal to 5 percent of the total cost of such work. The property management agreement was not renewed upon expiry on February 23, 2010 as all property management services were internalized.

The following schedule reflects fees incurred by the Initial Properties for property management services during the fiscal years December 31, 2010 and 2009:

	2010	2009
Property management fees	$ 101	$ 670
Leasing fees	17	641
	$ 118	$ 1,311

11. Risk management and fair values:

Risk management:

In the normal course of business, the Initial Properties are exposed to financial risk that arises from its financial instruments, including fluctuations in interest rates and in the credit quality of its tenants. Management's involvement in operations helps identify risks and variations from expectations. The Initial Properties do not manage risk through the use of hedging transactions. As a part of the overall operation of the Initial Properties, management takes steps to avoid undue concentrations of risk. The Initial Properties manage the risks as follows:

(expressed in thousands of Canadian dollars)

11. Risk management and fair values (continued):

Liquidity risk:

Liquidity risk is the risk that the Initial Properties will not have sufficient cash, debt and capital available to satisfy their debt and other financial obligations as they mature.

The principal liquidity needs arise from working capital requirements, debt servicing and repayment obligations, planned funding of maintenance and leasing costs.

The above liquidity needs are funded from cash flows from operating the property portfolio, with the exception of debt repayment obligations. These are funded from refinancing maturing debt or financing unencumbered properties. The particular features and quality of the underlying assets being financed and the debt market parameters existing at the time will affect the success of this strategy.

There is a risk that lenders will not refinance maturing debt on terms and conditions acceptable to management or on any terms at all. The risk associated with the refinancing of maturing debt is mitigated as the maturity dates of the mortgage portfolio are staggered over a number of years and by limiting the use of floating interest rate debt. As at December 31, 2010, the weighted average term to maturity of the mortgage portfolio is 3.47 years (2009 – 3.71 years).

The following are the estimated maturities of the financial liabilities excluding the interest rate swap liability, as at December 31, 2010:

	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Accounts payable and accrued liabilities	$ 3,247	$ 3,247	$ –	$ –	$ –
Mortgages payable	119,132	36,562	37,057	26,690	18,823
Total	$ 122,379	$ 39,809	$ 37,057	$ 26,690	$ 18,823

Market risk:

Market risk is the risk that changes in market prices will have an effect on future cash flows associated with financial instruments. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk.

11. Risk management and fair values (continued):

Interest rate risk:

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk.

Interest rate cash flow risk is minimized by having the majority of the mortgages on fixed term arrangements. In addition, the maturity dates of the mortgages are staggered over a number of years to reduce the exposure in any one year.

The Initial Properties also utilize an interest rate swap agreement in order to fix the interest rate on a floating rate mortgage. The swap transaction fixes the rate of interest at 5.89% and matures on January 3, 2025. The outstanding balance of the floating rate mortgage as at December 31, 2010 is $4.8 million (December 31, 2009 - $5.0 million). The cumulative unrealized loss as at December 31, 2010 of $0.6 million (December 31, 2009 - $0.5 million) is included in accounts payable and accrued liabilities.

The Initial Properties have floating rate mortgages on income properties (excluding the mortgage associated with the interest rate swap arrangement) comprised of $16.1 million, or 15.7 percent (2009 - $12.0 million or 11.9 percent) of the total mortgages on income properties as at December 31, 2010. Had the interest rate changed by a differential of 100 basis points, financing cost would have changed by approximately $0.2 million (2009 - $0.1 million).

Currency risk:

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. The Initial Properties have no significant transactions denominated in foreign currency and is not exposed to foreign currency risk.

Other price risk:

Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associated with financial instruments. The cash flows associated with financial instruments of the Initial Properties are not exposed to other significant price risk.

(expressed in thousands of Canadian dollars)

11. Risk management and fair values (continued):

Credit risk:

Credit risk arises from the possibility that tenants may be unable to fulfill their lease commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Initial Properties' control risks by avoiding undue concentration of assets in any geographic location, in any industry or with any specific tenants.

The Initial Properties have credit policies to address credit risk, which are applied during lease negotiations and which may include the analysis of the financial position of the debtor, review of credit limits, credit history and credit performance. An allowance for doubtful accounts or other impairment provisions are established based upon factors surrounding credit risk, historical trends and other information.

A financial asset is past due when a debtor has failed to make a payment when contractually due. An aging of overdue receivables is as follows:

	2010	2009
Accounts receivable:		
0 to 30 days	$ 511	$ 666
30 to 60 days	21	13
More than 60 days	189	46
Allowance for doubtful accounts	(74)	(35)
	$ 647	$ 690

Fair value:

The Initial Properties use various methods in estimating fair values recognized in the combined financial statements. The fair value hierarchy reflects the significance of inputs used in determining fair values.

- Level 1 - quoted prices in active markets;
- Level 2 - inputs other than quoted prices in active markets or valuation techniques where significant inputs are based on observable market data; and
- Level 3 - valuation technique for which significant inputs are not based on observable market data

(expressed in thousands of Canadian dollars)

11. Risk management and fair values (continued):

Under the fair value hierarchy, the interest rate swap is measured using a Level 2 methodology. There are no financial instruments valued using a Level 1 or Level 3 methodology.

Financial instruments, excluding held-for-trading financial instruments, include accounts receivable, other receivables, accounts payable and accrued liabilities, and mortgages payable. Except for mortgages payable, the carrying values of these financial instruments approximate fair value due to their short term nature.

The $101.4 million (2009 - $100.1 million) carrying value of the mortgages payable are impacted by changes in market yields which can result in differences between the carrying value and fair value of instruments. The fair value of mortgages payable has been estimated based on the current market rates for mortgages with similar terms and conditions. The estimated fair value of mortgages payable as at December 31, 2010 is $102.5 million (2009 - $101.8 million).

12. Management of capital:

The capital structure of the Initial Properties is comprised of the following:

	2010	2009
Mortgages payable	$ 100,836	$ 99,512
Divisional surplus	33,166	37,458
	$ 134,002	$ 136,970

The Initial Properties manage capital in order to meet repayment obligations under mortgage facilities, to ensure that there are funds available to finance operations, to be able to continue as a going concern, and to ensure an appropriate balance of risk and return.

The overall capital management strategy addresses the following considerations:

- The equity component of acquired properties is primarily funded from the proceeds of debt.
- Mortgage debt financing is arranged to optimize the leveraged returns from the real estate investment portfolio.
- The Initial Properties will endeavor to obtain a fixed rate of interest on mortgage financing.
- Mortgage due dates are structured to reflect the nature of the leases and the properties being financed and debt maturity dates will be staggered, to the extent practicable, in order to manage refinancing risk.

(expressed in thousands of Canadian dollars)

12. Management of capital (continued):

The Initial Properties monitor capital from time-to-time using a variety of measures which are applicable to the real estate industry. Monitoring procedures are typically performed as a part of the overall management of operations and are performed with the goal of enhancing the ability of the Initial Properties to access capital and/or reduce the cost of capital.

13. Commitments and contingencies:

In the normal course of operations, the Initial Properties will become subject to a variety of legal and other claims. Management and legal counsel evaluate all claims on their apparent merits, and accrue management's best estimate of the estimated costs to satisfy such claims. Although the outcome of legal and other claims are not reasonably determinable, management believes that any such outcome will not have a material adverse effect on these combined financial statements.

The Initial Properties lease land from the local airport authority at an airport in Central Canada. This lease contains rights of renewals and of first refusal, extending until 2036. The agreement provides for the increase of lease payments every 5 years to reflect market rentals.

Future minimum operating lease payments as at December 31, 2010, using current established rates, are as follows:

2011	$	251
2012		251
2013		251
2014		251
2015		251
Thereafter		5,157

14. Subsequent event:

On December 17, 2012, the REIT entered into an underwriting agreement, whereby the REIT is expected to raise gross proceeds of $58.8 million through the issuance of 5,880,000 Offered Units of the REIT. Each Offered Unit consists of one trust unit of the REIT and one quarter of one trust unit purchase warrants of the REIT at $10 per Offered Unit pursuant to an Initial public Offering (the "Offering").

The closing of the Offering and acquisition of the Initial Properties by the REIT are scheduled to occur on or about December 28, 2012.

CERTIFICATE OF THE REIT AND THE PROMOTER

Dated: December 17, 2012

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

FAM REAL ESTATE INVESTMENT TRUST

(Signed) Shant Poladian
Chief Executive Officer

(Signed) Sandeep Manak
Chief Financial Officer

On behalf of the Board of Trustees

(Signed) Zachary George
Trustee

(Signed) Sandeep Manak
Trustee

(Signed) Azim Lalani
Trustee

HUNTINGDON CAPITAL CORP.
(as Promoter)

(Signed) Zachary George
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: December 17, 2012

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

TD SECURITIES INC.

By: (Signed) Andrew Phillips

NATIONAL BANK FINANCIAL INC.

By: (Signed) Glen Hirsh

CIBC WORLD MARKETS INC.

By: (Signed) Jeff Appleby

RBC DOMINION SECURITIES INC.

By: (Signed) William Wong

CANACCORD GENUITY CORP.

By: (Signed) Justin Bosa

RAYMOND JAMES LTD.

By: (Signed) Lucas Atkins

MACQUARIE CAPITAL MARKETS CANADA LTD.

By: (Signed) John Bartkiw

FAM Real Estate
Investment Trust