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FORWARD-LOOKING STATEMENTS DISCLAIMER

Statements contained herein that are not based on historical or current fact, including without limitation, statements containing the words "anticipate", "believe", "may", "continue", "estimate", "expects", "will" and words of similar expression, constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, both nationally and in the regions in which the Trust operates; changes in business strategy or development/acquisition plans; environmental exposures; financing risk; existing governmental regulations and changes in, or the failure to comply with, governmental regulations; liability; risk and uncertainties relating to the outbreak of the novel strain of the coronavirus identified as COVID-19 and other claims asserted against the Trust; and other factors referred to in the Trust's filings with Canadian securities regulators. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Trust does not assume the obligation to update or revise any forward-looking statements.

Given the impact of the changing circumstances surrounding the COVID-19 pandemic and the related response from the Company, governments (federal, state, provincial and municipal), regulatory authorities, businesses and customers, there is inherently more uncertainty associated with the Company's assumptions as compared to prior periods. These assumptions and related risks, include but are not limited to management expectations with respect to the factors above as well as general economic conditions, such as the impact on the economy and financial markets of the COVID-19 pandemic and other health risks.

ITEM 1 MORGUARD REAL ESTATE INVESTMENT TRUST STRUCTURE

Morguard Real Estate Investment Trust ("the Trust") is an unincorporated closed-end real estate investment trust created pursuant to a declaration of trust dated June 18, 1997, as amended and restated on October 14, 1997, August 18, 1999, May 18, 2010 and as further amended and restated on May 5, 2015 (collectively, the "Declaration of Trust"), in accordance with the laws of the Province of Ontario.

The principal office of the Trust is located at Suite 1000, 55 City Centre Drive, Mississauga, Ontario, L5B 1M3. The Trust currently has 38 wholly owned subsidiaries that hold title as nominees to the Trust's real property investments and holds a 50% share in eight joint ventures and one limited partnership and a 20% interest in one joint venture.

All information contained in this Annual Information Form is presented as at February 17, 2021, unless otherwise specified. Additional information relating to the Trust is available at www.sedar.com and www.morguard.com.

ITEM 2 GENERAL DEVELOPMENT OF THE BUSINESS

In March 2020 the outbreak of the novel strain of coronavirus ("COVID-19") resulted in governments enacting emergency measures to combat the spread of the virus. These measures, included the implementation of travel bans, lock downs, quarantine periods and physical distancing, have contributed to an economic recession along with material disruption to business. Governments reacted with interventions intended to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, and is subject to waves of varying degrees.

The Trust recognizes the impact of COVID-19 on many of its tenants and its stakeholders and is committed to taking measures to protect the health of its employees, tenants and communities in which it operates. In March, the Trust initiated its crisis management plan with a team mandated to maintain a safe environment for its tenants, employees and stakeholders, coordinating efforts across its portfolio, standardizing communications and responding as circumstances demand.

The Trust is actively monitoring the ongoing developments with regards to COVID-19 and is committed to ensuring a healthy and safe environment, adjusting its service model as necessary.

The Trust continues to act accordingly to direction provided by the Federal, Provincial and Municipal governments to control the spread of COVID-19. The Trust continues to monitor business operations and may take further actions in response to directives of government and public health authorities or that are in the best interests of employees, tenants, suppliers or other stakeholders as necessary.

As a diversified REIT, the Trust's portfolio consists of retail, office and industrial assets. COVID-19 has had a profound impact on the Trust's retail assets and specifically its enclosed regional centres due to government imposed temporary store closures, lockdowns and concerns over physical distancing.

The impact of COVID-19 has and could continue to materially impact the financial results and operations of the Trust in addition to affecting tenants ability or willingness to pay rent in full or at all, the Trust's ability to collect rent due by its tenants, and consumer demand for tenants products or services.

Management concluded that it was important for the Trust to play an important role in helping the tenants that have been negatively impacted by the pandemic. As such, the Trust participated in the Canada Emergency Commercial Rent Assistance ("CECRA") program as described further in the Management's Discussion and Analysis dated February 17, 2021 and have also been in discussions with medium and large sized tenants on a case-by-case basis to determine rent payment solutions.

Due to non-essential business closure orders issued by the various provinces in Canada, the majority of the Trust's retail tenants were closed for portions of the second quarter. The easing of these restrictions varied by province and by industry. Lockdowns and restrictions were imposed again late in 2020 and into 2021.

2020

During 2020, the Trust announced the completion of the following development projects, and completed the sale of a vacant single-tenant strip centre property.

- During the second quarter of 2020, a significant portion of the redevelopment of Pine Centre Mall in Prince George, British Columbia was completed, including the opening of new retailers – Winners/Homesense, Orange Theory Fitness and BC Cannabis. Additionally, the Trust had undertaken the redevelopment of a 38,850 square foot grocery store at the Mall, to be completed by Third Quarter 2022
- On August 18, 2020, the Trust disposed of a vacant single-tenant strip centre, located at 211 Centrum Boulevard, Ontario, for gross proceeds of \$7 million.
- In the first quarter 2021, the Trust completed the modernizing renovation of The Centre Mall, Saskatoon, Saskatchewan.

2019

During 2019, the Trust announced the completion or kickoff of the following development projects, and completed the sale of a single-tenant industrial property.

- On September 26, 2019, the Trust announced the grand opening of a new segment of Calgary's Plus 15. The newest addition to the network connects the building at 215 9th Avenue SW to Gulf Canada Square and the system's 83 bridges and nearly 16 kilometres of sheltered elevated pedestrian walkways.
- On July 31, 2019, the Trust announced the kickoff of a significant redevelopment project that will modernize the interior of Pine Centre Mall in Prince George, British Columbia, create a new mall entrance and will refit the former Sears space to welcome new retailers and service providers.
- On July 31, 2019, the Trust disposed of a single-tenant industrial property, located at 825 Des Érables, Quebec, for gross proceeds of \$16.1 million.
- On January 23, 2019 the Trust announced that the Trust would be investing approximately \$43.0 million in renovation projects for The Centre Mall, Saskatoon, Saskatchewan. Projects include modernizing the interior and exterior of the property, occupancy of the new Cineplex pad (completed Q4 2019) and continuing the refit of the former Target space to welcome new retailers.

2018

During 2018, the Trust completed 4 retail development projects adding and reactivating 183,500 square feet of gross leasable area ("GLA").

These projects include the:

- Construction of 9,700 square feet of new freestanding space at Market Square in Kanata, Ontario;
- Remerchandising at Cambridge Centre in Cambridge, Ontario, of the former Target Canada Corporation ("Target") space returning 126,800 square feet of GLA to active use for Marshalls, Kingpin Cambridge, Sport Chek and Indigo;
- Construction of 13,000 square feet of new freestanding space for restaurants; and

- Remerchandising at Shoppers Mall of the former Target space returning 34,000 square feet of GLA to active use for Shoppers Drug Mart and Ardene.

ITEM 3 NARRATIVE DESCRIPTION OF THE BUSINESS

Overview

The Trust's primary business goal is to accumulate a Canadian portfolio of high-quality real estate assets and then deliver the benefits of such real estate ownership to unitholders. The primary benefit is a reliable and, over time, increasing cash distribution. The Trust manages distributions to ensure sufficient cash is retained to meet fixed obligations while ensuring a reliable cash flow to unitholders.

The Trust holds a diversified real estate portfolio of 47 retail, office and industrial properties (the "Properties") consisting of approximately 8.3 million square feet of GLA located in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec. Included in this portfolio is one office property, consisting of 0.2 million square feet of GLA, located in the province of Alberta, which is accounted for using the equity method.

The operations of the Trust, including its investments and management, are subject to the continuing control and direction of the Board of Trustees (the "Trustees") of the Trust. An internal management team carries out the day-to-day management of the Trust, with assistance, where appropriate, from third parties, including MIL, a wholly-owned subsidiary of the Trust's major unitholder, Morguard Corporation. Day-to-day property management of all of the Properties is undertaken or supervised by MIL.

Select additional information regarding the property portfolio is included as Appendix "A".

Management Strategy

The Trust's asset management team is focused on continually improving the returns from the assets currently owned and making quality acquisitions that are accretive in the long term. As part of its strategy to continually improve the quality of its property portfolio, the Trust undertakes the disposition of properties in cases where both the cash flows and values have been maximized, where the properties no longer fit the Trust's portfolio, or where market trends indicate that superior investment return opportunities are available elsewhere.

The Trust's management team is incentivized to maintain occupancy levels and rents that outperform local markets. The Trust has established the highest standards for maintaining the quality of its portfolio and operating its properties at cost levels that are competitive in their respective markets. These efforts are enhanced through a sustainability program which tracks utility usage and savings over time. These savings are returned to our tenants through reduced operating costs, increasing the Trust's reputation as a responsible landlord.

The Trust's management team is supported by contracted property management, leasing services, capital expenditure administration, information system services activities and risk management administration. The choice to contract for property management provides the Trust with a day-to-day operating platform that is both "best-in-class" and cost-effective. Property management services are delivered through a management agreement with MIL. MIL also provides advisory and management services to institutional and other investors not related to Morguard or the Trust. The Trust's agreement with MIL provides property management services at predetermined rates based on a percentage of revenue. This provides predictability to a key component of operating costs. In addition, MIL provides the Trust with leasing services across the full portfolio. With MIL locations across the country, the Trust benefits from local market knowledge and local broker relationships. An annual review of this agreement, combined with MIL's institutional client base, ensures that rates for services reflect current market conditions.

The Trust's debt strategy involves the use of conventional property-specific secured mortgages or bonds, unsecured convertible debentures and secured floating rate bank financing. The Trust currently targets a capital

structure which maintains an overall indebtedness ratio of not more than 50% of gross assets. By its Declaration of Trust, the Trust has the ability to increase its overall indebtedness ratio to 60%.

The risk and reliability characteristics of real estate asset classes are different, and delivering on the primary goal requires a mix of assets that balance risk and rewards.

Retail: The retail portfolio includes two broad categories of income producing properties: enclosed full-scale, regional shopping centres that are dominant in their respective markets; and community strip centres that are primarily anchored by food retailers, discount department stores and banking institutions. Investing across these two broad categories of retail assets allows the Trust to spread its tenant base, reducing its exposure to a single category retailer.

Office: The office portfolio is focused on well-located, high-quality properties in major Canadian urban centres. The portfolio is balanced between single-tenant properties under long term lease to government and large national tenants which work to secure the Trust's cash flow and multi-tenant properties with well-distributed lease expiries that allow the Trust to benefit from increased rental rates on lease renewal.

Industrial: The Trust has an interest in four industrial properties located in Ontario and Quebec.

PORTFOLIO COMPOSITION BY ASSET TYPE AND LOCATION

At the Trust's Ownership Share

Location	Retail		Office		Industrial		Total		%
	Number of	GLA (000s)	Number of Properties	GLA (000s)	Number of Properties	GLA (000s)	Number of Properties	GLA (000s)	
British Columbia	2	503	3	600	—	—	5	1,103	14%
Alberta	5	821	9	1,169	—	—	14	1,990	25%
Saskatchewan	1	497	—	—	—	—	1	497	6%
Manitoba	3	660	—	—	—	—	3	660	8%
Ontario	8	2,094	8	980	4	292	20	3,366	41%
Quebec	—	—	1	448	—	—	1	448	6%
	19	4,575	21	3,197	4	292	44	8,064	100%
IPP held for development	1	67	1	43	—	—	2	110	
Income producing properties	20	4,642	22	3,240	4	292	46	8,174	
Equity-accounted investment	—	—	1	152	—	—	1	152	
Grand Total	20	4,642	23	3,392	4	292	47	8,326	
%¹		56%		40%		4%		100%	

1. Excluding IPP held for development, properties held for sale/sold, and equity-accounted investment

NET OPERATING INCOME BY ASSET TYPE AND LOCATION

At the Trust's Ownership Share

Location	Retail		Office		Industrial		Total		%
	Number of Properties	NOI (000s)	Number of Properties	NOI (000s)	Number of Properties	NOI (000s)	Number of Properties	NOI (000s)	
British Columbia	2	\$7,800	3	\$12,692	—	\$—	5	\$20,492	17%
Alberta	5	9,924	9	24,980	—	—	14	34,904	29%
Saskatchewan	1	7,176	—	—	—	—	1	7,176	6%
Manitoba	3	10,886	—	—	—	—	3	10,886	9%
Ontario	8	25,222	8	15,397	4	1,864	20	42,483	34%
Quebec	—	—	1	5,813	—	—	1	5,813	5%
	19	61,008	21	58,882	4	1,864	44	121,754	100%
IPP held for development	1	1,507	1	641	—	(63)	2	2,085	
Income producing properties	20	62,515	22	59,523	4	1,801	46	123,839	
Properties held for sale/sold	—	(61)	—	—	—	—	—	(61)	
Total real estate properties	20	62,454	22	59,523	4	1,801	46	123,778	
Equity-accounted investment	—	—	1	4,197	—	—	1	4,197	
Grand Total	20	\$62,454	23	\$63,720	4	\$1,801	47	\$127,975	
% ¹		50%		48%		2%		100%	

1. Excluding IPP held for development, properties held for sale/sold, and equity-accounted investment

Comparative Net Operating Income by Asset Type

	Year Ended December 31,		%
	2020	2019	
Enclosed regional centres	\$39,347	\$55,070	(28.6%)
Community strip centres	23,107	23,533	(1.8%)
Subtotal – retail	62,454	78,603	(20.5%)
Single-/dual-tenant buildings	46,471	54,137	(14.2%)
Multi-tenant buildings	13,052	14,564	(10.4%)
Subtotal – office	59,523	68,701	(13.4%)
Industrial	1,801	2,657	(32.2%)
Net operating income	\$123,778	\$149,961	(17.5%)

Competition

The Trust competes for real property acquisitions with individuals, corporations, private market groups, institutions (both Canadian and foreign) and public market groups that are seeking or may seek real property investments similar to those desired by the Trust. Availability of investment funds and an increase in interest in

real property investments may increase competition for real property investments, thereby increasing purchase prices. Many of these investors have greater financial resources than those of the Trust or operate without the investment or operating restrictions of the Trust or according to more flexible conditions. Numerous other developers, managers and owners of properties compete with the Trust in seeking tenants. However, the Trust believes that its diversified portfolio of well-located and managed real estate puts the Trust in a good position when competing for tenants.

Employees

The Trust has 7 employees who carry out the day-to-day asset management and operations of the Trust.

Intellectual Property

The Morguard name and trademark and related marks and designs (including the stylized “M” logos) are licensed to the Trust by MIL under a non-exclusive, royalty-free trademark license agreement (the “License Agreement”). Though subject to the terms of the License Agreement, the Trust, by using the “Morguard” name, has the benefit of the goodwill and recognition, which has been associated with the “Morguard” name in the real estate sector for many years.

RISKS AND UNCERTAINTIES

An investment in securities of the Trust involves significant risks. Investors should consider carefully the risks described below, the other information described elsewhere in this MD&A (as updated by any subsequent interim MD&A) and those risks set out in the Trust's Annual Information Form (“AIF”) for the year ended December 31, 2020, dated February 2021, before making a decision to buy securities of the Trust. If any of the following or other risks occur, the Trust's business, prospects, financial condition, financial performance and cash flows could be materially adversely affected. In that case, the trading price of securities of the Trust could decline, and investors could lose all or part of their investment in such securities. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks.

The Trust is supported by contracted property management, leasing services, capital expenditure administration, information system services activities and risk management administration. The choice to contract for property management provides the Trust with a day-to-day operating platform that is both “best-in-class” and cost effective. Property management and other services are delivered through a management agreement with MIL. MIL also provides advisory and management services to institutional and other investors not related to Morguard or to the Trust.

The following are business risks the Trust expects to face in the normal course of its operations and management's strategy to reduce the potential impact.

COVID-19 and Other Pandemic or Epidemic Diseases

In response to the outbreak of COVID-19, governments worldwide have enacted emergency measures to contain the spread of the virus. The ongoing COVID-19 pandemic has led to prolonged voluntary and mandatory building closures, business closures, government restrictions on travel, movement and gatherings, quarantines, curfews, self-isolation and physical distancing. The impact of these measures has led to a general slowdown of economic activity and has disrupted workforce and business operations in North America and other parts of the world. Such occurrences could have a material adverse effect on the demand for real estate, the ability of tenants to pay rent and the debt and equity capital markets. The duration and impact of the ongoing COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. The pace of recovery following such occurrences cannot be accurately predicted, nor can the impact on the Trust's business and operations, real estate property valuations, securities, cash flows, results of operations and the Trust's ability to obtain additional financing or re-financing and ability to make distributions to unitholders.

Specifically, such enhanced risks associated with COVID-19 may include, but are not limited to:

- a) the negative impact on Canadian and global debt and equity capital markets, including both pricing and availability;
- b) the ability to access capital markets at a reasonable cost;
- c) the trading price of the Trust's securities;
- d) a material reduction in rental revenue and related collections due to associated financial hardship, unemployment and non-essential business orders governing the complete or partial closure of certain businesses;
- e) a material increase in vacancy potentially caused by the resulting economic crisis, changes in consumer demand for businesses' products and services, changes in businesses' real estate requirements, restrictions on travel and the inability of businesses to operate in the normal course or at all;
- f) uncertainty of real estate valuations resulting from the impact of potential decline in revenue and/or lack of market activity and demand;
- g) uncertainty delivering services due to illness, Trust or government imposed isolation programs, restrictions on the movement of personnel, closures and supply chain disruptions;
- h) uncertainty associated with costs, delays and availability of resources required to complete major maintenance and expansion projects on time and budget, and lease up space following completion of development projects;
- i) a material reduction in revenue and related collections due to the impact that oil price challenges have on tenants that rely on this industry for their business success;
- j) adverse impacts on the creditworthiness of tenants and other counterparties;
- k) Increased risk of cyber attacks due to remote working environments and increased reliance on information technology infrastructure; and
- l) the impact of additional legislation, regulation, fiscal and monetary policy responses and other government interventions.

The foregoing is not an exhaustive list of all risk factors.

Developments throughout the COVID-19 pandemic have resulted in a substantive shift in management's focus towards ensuring the continued health and safety of our employees and service partners, compliance with guidelines and requirements issued by various health authorities and government organizations, and continuity of other critical business operations. The Trust remains focused on delivering our key business operations.

Other outbreaks of pandemics and epidemics may have similar impacts on the Trust's business, operations, financial condition and ability to make distributions to unitholders.

Reporting Real Estate Property at Fair Value

The Trust holds real estate property to earn rental income or for capital appreciation or both. All real estate properties are measured using the fair value model under IFRS, whereby changes in fair value are recognized for each reporting period in the statements of (loss)/income and comprehensive (loss)/income. Management values each real estate property based on the most probable price that a property could be sold for in a competitive and open market as of the specified date under all conditions requisite to a fair sale, such as the buyer and seller each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus. Each real estate property has been valued on a highest-and-best-use basis.

There is a risk that general declines in real estate markets or sales of assets by the Trust under financial or other hardship, including as a result of changes in demand for real estate resulting from COVID-19 and related economic conditions, would have an impact on the fair values reported or on the cash flows associated with

owning or disposing of such properties. Market assumptions applied for valuation purposes do not necessarily reflect the Trust's specific history or experience, and the conditions for realizing the fair values through a sale may change or may not be realized. Consequently, there is a risk that the actual fair values may differ, and the differences may be material. In addition, there is an inherent risk related to the reliance on and use of a single appraiser as this approach may not adequately capture the range of fair values that market participants would assign to the real estate properties. Certain ratios and covenants could be negatively affected by downturns in the real estate market and could have significant impact on the Trust's operating revenues and cash flows, as well as the fair values of the real estate properties.

Property Development, Redevelopment and Renovation Risks

The Trust engages in development and intensification activities with respect to certain properties. It is subject to certain risks, including: (a) the availability and pricing of financing on satisfactory terms or availability at all; (b) the availability and timely receipt of zoning, occupancy, land use and other regulatory and governmental approvals; (c) the ability to achieve an acceptable level of occupancy upon completion; (d) the potential that the Trust may fail to recover expenses already incurred if it abandons redevelopment opportunities after commencing to explore them; (e) the potential that the Trust may expend funds on and devote management time to projects which are not completed; (f) construction or redevelopment costs of a project may exceed original estimates, possibly making the project less profitable than originally estimated, or unprofitable; (g) the time required to complete the construction or redevelopment of a project or to lease-up the completed project may be greater than originally anticipated, thereby adversely affecting cash flows and liquidity; (h) the cost and timely completion of construction (including risks beyond the Trust's control, such as weather, labour conditions or material shortages); (i) contractor and subcontractor disputes, strikes, labour disputes or supply disruptions; and (j) occupancy rates and rents of a completed project may not be sufficient to make the project profitable.

The above risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent the initiation of development activities or the completion of development activities once undertaken. In addition, development projects entail risks that investments may not perform in accordance with expectations and can carry an increased risk of litigation (and its accompanying risks) with contractors, subcontractors, suppliers, partners and others. Any failure by the Trust to effectively manage all development and intensification initiatives may negatively impact the reputation and financial performance of the Trust.

Shift of Retailers from Bricks and Mortar Stores

Shifting consumer preferences toward e-commerce may result in a decrease in the demand for physical space by retail tenants. The failure of the Trust to adapt to changes in the retail landscape, including finding new tenants to replace any lost income stream from existing tenants that reduce the amount of physical space they lease from the Trust could adversely affect the Trust's financial performance.

IT Systems Implementations and Data Management

The Trust and MIL depend on relevant and reliable information for decision-making and financial reporting. As the volume of data being generated and reported by the Trust increases and evolves, MIL will continue to undertake investments in IT systems to store, process and leverage such data.

The failure to successfully migrate to new IT systems, or disruptions which may arise as a result of the transition to new IT systems, could result in a lack of relevant and reliable information to enable management to effectively achieve its strategic plan or manage the operations of the Trust, which could negatively affect the reputation, operations and financial performance of the Trust.

In addition, any significant loss of data or failure to maintain reliable data could negatively affect the reputation, operations and financial performance of the Trust because management depends on relevant and reliable information for decision-making purposes.

Cybersecurity Risk

The efficient operation of the Trust's business is dependent on computer hardware and software systems operated primarily by MIL. Information systems are vulnerable to cybersecurity incidents. A cybersecurity

incident is considered to be any material adverse event that threatens the confidentiality, integrity or availability or the Trust's information resources. A cybersecurity incident is an intentional attack or an unintentional event including, but not limited to, malicious software, attempts to gain unauthorized access to data or information systems, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. The Trust's primary risks that could directly result from the occurrence of a cyber incident include operational interruption, damage to its reputation, damage to its business relationships with users, the disclosure of confidential information including personally identifiable information, potential liability to third parties, loss of revenue, additional regulatory scrutiny and fines, as well as litigation and other costs and expenses. MIL takes data privacy and protection seriously and has implemented processes, procedures and controls to help mitigate these risks. Access to personal data is controlled through physical security and IT security mechanisms. Additionally, MIL monitors and assesses risks surrounding collection, usage, storage, protection and retention/destruction practices of personal data. These measures, as well as its increased awareness of a risk of a cyber incident, do not guarantee that the Trust's financial results will not be negatively impacted by such an incident.

Vendor Management, Partnerships and Third-Party Service Providers

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

Current Economic Environment

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

These conditions already exist in the Alberta office market (specifically Calgary), which has had vacancies in the range of 25%-35% in recent years. The Trust earns approximately one-half of its office net operating income from Alberta, including its largest tenant overall.

Climate Change

As an owner of real estate, the Trust is subject to various federal, provincial and municipal laws relating to environmental matters. Such laws provide that the Trust could be liable for the costs of removal of certain hazardous substances and remediation of certain hazardous locations. The failure to remove or remediate such substances or locations, if any, could adversely affect the Trust's ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims against the Trust. The Trust is not aware of any material non-compliance with environmental laws at any of its properties. The Trust is also not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of its properties or any pending or threatened claims relating to environmental conditions at its properties.

The Trust will make the necessary capital and operating expenditures to ensure compliance with environmental laws and regulations. Although there can be no assurances, the Trust does not believe that costs relating to environmental matters will have a material adverse effect to the Trust's business, financial condition or results

of operations. However, environmental laws and regulations may change and the Trust may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have an adverse effect on the Trust's business, financial condition or results of operations. It is the Trust's operating policy to obtain a Phase I environmental assessment conducted by an independent and experienced environmental consultant prior to acquiring a property. Phase I environmental assessments have been performed in respect of all properties.

Natural disasters and severe weather such as floods, blizzards and rising temperatures may result in damage to the Trust's properties. The extent of the Trust's casualty losses and loss in operating income in connection with such events is a function of the severity of the event and the total amount of exposure in the affected area. The Trust is also exposed to risks associated with inclement winter weather, including increased need for maintenance and repair of its buildings. In addition, climate change, to the extent it causes changes in weather patterns, could have effects on the Trust's business by increasing the cost of property insurance, and/or energy at its properties. As a result, the consequences of natural disasters, severe weather and climate change could increase the Trust's costs and reduce its cash flows.

The Trust has approximately one-quarter of its properties in Alberta with a high degree of concentration in Calgary, which is linked to the oil and gas industry. Concerns about climate change have played a role in the downturn of this industry. Continued focus on climate change by lobby and political groups will have lasting impacts on this sector.

The Morguard group has a sustainability program which helps the group structure efforts and act on environmental, social and governance risks and opportunities that are most important to its stakeholders. These major areas of focus are:

- decreasing energy and water use; reducing waste and emissions;
- creating excellence in energy and environmental management that result in green building certifications;
- collecting consistent data that tracks and validates its performance towards its objectives;
- reporting transparency;
- engaging investors, employees and tenants to support its initiatives; and
- driving new sustainability ideas and policies that align with this focus area.

Interest Rate and Financing Risk

The Trust is exposed to financial risks that arise from its indebtedness, including fluctuations in interest rates. Interest rate risk is managed by financing debt at fixed rates with maturities scheduled over a number of years. At December 31, 2020, 96.5% of the Trust's debt was at fixed rates.

As outlined in "Part V – Liquidity and Capital Resources," the Trust has an ongoing requirement to access debt markets to refinance maturing debt as it comes due. There is a risk that lenders will not refinance such maturing debt on terms and conditions acceptable to the Trust or any terms at all.

The Declaration of Trust permits the Trust to incur indebtedness, provided that after giving effect to incurring or assuming any indebtedness the amount of all indebtedness of the Trust is not more than 60% of the gross book value of the Trust's total assets.

The following table provides the Trust's debt ratios compared to the borrowing limits established in the Declaration of Trust:

As at December 31,	Borrowing Limits	2020	2019
Fixed-rate debt to gross book value of total assets	N/A	51.1 %	42.5 %
Floating-rate debt to gross book value of total assets	15.0 %	1.9 %	3.3 %
Total indebtedness to gross book value of total assets	60.0 %	53.0 %	45.8 %

Credit Risk

The Trust's primary business is the ownership and operation of retail, office and industrial properties. The income stream generated by tenants paying rent can be affected by general and local economic conditions and by a change in the credit and financial stability of tenants. Examples of local conditions that could adversely affect income include oversupply of space or reduced demand for rental space, the attractiveness of the Trust's properties compared to other space, and fluctuation in real estate taxes, insurance and other operating costs. The Trust may be adversely affected if tenants become unable to meet their financial obligations under their leases, including as a result of the COVID-19 pandemic and related financial conditions that impact their creditworthiness.

Lease Rollover Risk

Lease rollover risk arises from the possibility that the Trust may experience difficulty renewing leases as they expire or in re-leasing space vacated by tenants upon lease expiry. Management attempts to stagger the lease expiry profile so that the Trust is not faced with disproportionate amounts of space expiring in any one year. Management further mitigates this risk by maintaining a diversified portfolio mix by both asset type and province.

LEASE PROFILE

	Retail		Office		Industrial		Total	
	SF	Weighted Average Contract Rent	SF	Weighted Average Contract Rent	SF	Weighted Average Contract Rent	SF	Weighted Average Contract Rent
Month to month	419,891	\$24.72	—	\$—	—	\$—	419,891	\$24.72
2021	964,803	13.26	388,445	20.69	75,977	8.03	1,429,225	15.09
2022	496,854	26.23	279,505	22.02	16,580	10.36	792,939	24.36
2023	401,200	26.71	300,525	16.64	42,091	6.64	743,816	21.34
2024	199,173	32.89	161,203	31.24	74,577	5.68	434,953	27.57
Thereafter	1,567,906	24.20	1,706,021	24.38	63,486	8.97	3,337,413	23.98
Current vacancy	232,880	—	362,907	—	19,618	—	615,405	—
Total	4,282,707	\$22.61	3,198,606	\$23.13	292,329	\$7.53	7,773,642	\$22.08
Weighted average remaining lease term (years)		3.88		4.39		3.09		4.05

Lower weighted average contract rent for the year 2021 (retail) is the result of anchor tenant lease maturities. This amounts to 552,194 square feet at a weighted average contract rate of \$6.40.

MONTH TO MONTH AND 2021 EXPIRIES BY PROVINCE

Province	Retail		Office		Industrial		Total
	SF	Weighted Average Contract Rent	SF	Weighted Average Contract Rent	SF	Weighted Average Contract Rent	
Alberta	379,827	\$15.24	64,498	\$13.74	—	\$—	444,325
British Columbia	1,910	36.35	203,702	24.58	—	—	205,612
Manitoba	95,884	28.59	—	—	—	—	95,884
Ontario	860,115	15.01	118,674	17.75	75,977	8.03	1,054,766
Quebec	—	—	1,571	22.50	—	—	1,571
Saskatchewan	46,958	28.96	—	—	—	—	46,958
	1,384,694	\$16.44	388,445	\$20.69	75,977	\$8.03	1,849,116

Volatile Market Price for the Trust's Securities

The market price for the Trust's securities may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Trust's control, including the following: (i) the actual or perceived impact of the COVID-19 pandemic and related financial conditions; (ii) actual or anticipated fluctuations in the Trust's financial performance and future prospects; (iii) recommendations by securities research analysts; (iv) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Trust; (v) an addition to or departure of the Trust's executive officers; (vi) sales or perceived sales of additional shares; (vii) significant acquisitions of business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Trust's or its competitors; (viii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Trust's industry or target markets; (ix) liquidity of the Trust's securities; (x) prevailing interest rates; (xi) the market price of other Trust securities; (xii) a decrease in the amount of distributions declared and paid by the Trust; and (xiii) general economic conditions.

Financial markets have, in recent years, experienced significant price and volume fluctuations that have particularly affected the market prices of securities of issuers and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such issuers. Accordingly, the market price of the Trust's securities may decline even if the Trust's financial performance, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in losses. As well, certain institutional investors may base their investment decisions on consideration of the Trust's environmental, governance and social practices and performance according to such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited investment or no investment in the Trust's securities by those institutions. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil exist for a protracted period of time, the Trust's operations could be adversely affected and the trading price of its securities may be adversely affected.

Environmental Risk

The Trust is subject to various federal, provincial and municipal laws relating to the environment. The Trust's ongoing environmental management program includes regular review of tenant business uses and inspections of properties to ensure compliance, as well as appropriate testing by qualified environmental consultants when required. A Phase I environmental site assessment is performed on properties considered for acquisition. The Trust mitigates the cost of remediation by carrying environmental insurance where available.

Unitholder Liability

The Declaration of Trust provides that no unitholder or annuitant under a plan of which a unitholder acts as trustee or carrier will be held to have any personal liability as such, and that no recourse may be had to the private property of any unitholder or annuitant for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Trust. Only assets of the Trust are intended to be liable and subject to levy or execution.

The following provinces have legislation relating to unitholder liability protection: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec. Certain of these statutes have not yet been judicially considered, and it is possible that reliance on such statutes by a unitholder could be successfully challenged on jurisdictional or other grounds. The Trustees will cause the operations of the Trust to be conducted, with the advice of counsel, in a manner and in such jurisdictions so as to avoid, as far as practicable, any material risk of liability to the unitholders for claims against the Trust. The Trustees will also cause the Trust to carry insurance, to the extent to which they determine to be possible and reasonable, for the benefit of unitholders and annuitants in such amounts as they consider adequate to cover non-contractual or non-excluded liability.

General Uninsured Losses

The Trust has in place blanket comprehensive general liability, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks (generally of a catastrophic nature such as from wars or environmental contamination) that are either uninsurable or not insurable on an economically viable basis. The Trust also carries insurance for earthquake risks, where appropriate, subject to certain policy limits, deductibles and self-insurance arrangements, and will continue to carry such insurance if it is economical to do so. Should an insured or underinsured loss occur, the Trust could lose its investment in, and anticipated profits and cash flows from, one or more of its properties.

Liquidity and Capital Availability Risk

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

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

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

Unitholder Taxation

The Trust is taxed as a "mutual fund trust" for income tax purposes. Pursuant to the Act, a Trust is not subject to income taxes to the extent that the income for tax purposes in a given year does not exceed the amount distributed to unitholders and deducted by the Trust for tax purposes. The Trustees intend to distribute or

designate all taxable income directly earned by the Trust to unitholders of the Trust and to deduct such distributions and designations for income tax purposes.

There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the Canada Revenue Agency (the "CRA") respecting mutual fund trusts will not be changed in a manner that adversely affects unitholders.

The Act may impose additional withholding or other taxes on distributions made by the Trust to unitholders who are non-residents. These taxes and any reduction thereof under a tax treaty between Canada and another country may change from time to time. Unitholders who are non-residents should consult their own tax advisers.

The Act contains rules (the "SIFT Rules") that apply to a "specified investment flow-through" ("SIFT") trust or partnership. Under the SIFT rules, certain distributions will not be deductible in computing the SIFT trust's taxable income, and the SIFT trust will be subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to Canadian corporations. Distributions paid by a SIFT trust as returns of capital will not be subject to the tax.

The SIFT tax does not apply to a trust that satisfies certain conditions relating to the nature of its income and investments ("the REIT exception"). Although, as of the date hereof, management believes that the Trust will be able to meet the requirements of the REIT exception throughout 2021 and beyond, there can be no assurance that the Trust will be able to qualify for the REIT exception such that the Trust and the unitholders will not be subject to the SIFT Rules in 2021 or future years. If the SIFT Rules apply to the Trust, they may adversely affect the marketability of the units, the amount of cash available for distributions and the after-tax return to investors. The Trust has reviewed its status under the legislation and has determined that it is not subject to this tax as it met the REIT exception at December 31, 2020, and 2019, and throughout the years. Accordingly, no net additional current income tax expense or future income tax assets or liabilities have been recorded in the December 31, 2020, and 2019, consolidated financial statements.

Availability of Cash Flow

Distributable income may exceed actual cash available to the Trust from time to time because of items such as principal repayments and capital expenditures. The Trust may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items.

ITEM 4 MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis of the Trust's financial condition and operating results for the year ended December 31, 2020 is incorporated by reference. It may be found on the Trust's website at www.morguard.com and also has been filed with SEDAR at www.sedar.com.

Selected financial information is included in Appendix "B" to this Annual Information Form.

ITEM 5 DISTRIBUTION POLICY

Since April 2002, the Trust has made distributions to unitholders monthly, on or about the 15th day of each month or such other dates as the Trustees may determine (each a "Distribution Date"). The Trust distributes to unitholders on each Distribution Date the following amounts ("Distributed Income"):

- a) Such percentage as the Trustees in their discretion consider appropriate in the circumstances of the income of the Trust for the calendar month ending on the last day of the preceding month and, in the case of distributions made on December 31, for the calendar month then ended, computed in accordance with Canadian generally accepted accounting principles, before deductions for amortization, less any reserves, provisions and allowances established by the Trustees, plus any amount which the Trustees in their discretion determine to be appropriate; and

- b) An amount of income sufficient to ensure that the Trust will not be subject to Canadian income tax for the year.

At the discretion of the Trustees, amounts distributed by the Trust may include any net realized capital gains, taxable dividends of shares of taxable Canadian corporations received by the Trust in the year, any realized net recapture income received by the Trust and foreign source income of the Trust for the year provided that distributions on December 31 will be sufficient to ensure that total distributions in the year are no less than the amount required under (b) above. Such amounts will generally be distributed on the last Distribution Date in each year. A complete record of distributions paid on units of the Trust for the past three years is as follows:

	2020	2019	2018
Per unit	\$0.64	\$0.96	\$0.96
Total (000s)	\$39,612 ⁽¹⁾	\$58,283	\$58,276

(1) Includes issue of 3,586,976 Units of the Trust at a cost of \$18,174

Other than distributions made in accordance with the unitholder Distribution Reinvestment Plan (“DRIP”), distributions are made by cheque payable to the unitholder, by electronic funds transfer or by such other manner of payment approved by the Trustees. If the Trustees anticipate a cash shortfall and determine that it would be in the best interests of the Trust, they may reduce for any period the percentage of Distributable Income to be distributed to unitholders.

The Trustees reserve the right to revise the distribution policy at any time to provide for the amount of distributions, if any, and distributions to be made more or less frequently than monthly. On February 27, 2012, the Trust increased the annual distribution by 6.7%, from \$0.90 to \$0.96 per unit. On April 30, 2020, the Trust decreased the annual distribution by 50%, from \$0.96 to \$0.48 per unit. On February 17, 2021, the Trust decreased the annual distribution by 50% from \$0.48 per unit to \$0.24 per unit.

ITEM 6 DESCRIPTION OF CAPITAL STRUCTURE

Units

The units are listed on the TSX under the symbol MRT.UN. As at February 17, 2021, there were 64,130,414 units outstanding.

The following is a description of the material rights, privileges, restrictions and conditions attached to the authorized units of the Trust. This summary is qualified in its entirety by the full text of such attributes contained in the Amended and Restated Declaration of Trust as of May 5, 2015, as may be amended.

The beneficial interests in the Trust are divided into a single class of units (the “units”). The aggregate number of units that the Trust may issue is unlimited.

Each Unit represents an equal undivided interest in the Trust with all outstanding units. All units outstanding from time to time participate pro rata in any distributions by the Trust, and in the event of termination of the Trust, in the net assets of the Trust remaining after satisfaction of all liabilities. The Trustees may create and issue rights, warrants or options to subscribe for fully paid units which may be exercisable at such times and prices as the trustees may determine. No person is entitled, as a matter of right, to subscribe for or purchase any units. There are no pre-emptive rights attaching to the units.

The Trust has adopted a Distribution Reinvestment Plan (“DRIP”) pursuant to which unitholders may elect to have all cash distributions of the Trust, net of applicable withholding taxes, automatically reinvested in additional units at a price per unit calculated by reference to the weighted average of the trading price for units on a stock

exchange on which the units are listed for the 20 trading days immediately preceding the relevant distribution date. In 2020, 3,586,976 units (2019 – 41,486) were issued by the Trust under the DRIP.

Additionally, the Trustees may create and issue indebtedness of the Trust in respect of which interest, premium or principal payable thereon may be paid, at the option of the Trust or holder, in fully paid units, or which indebtedness may be convertible into units.

Convertible Debentures Payable

2016 Debentures

On December 30, 2016, the Trust issued \$175 million principal amount of 4.50% convertible unsecured subordinated debentures (“2016 Debentures”), maturing on December 31, 2021 (the “maturity date”). As at February 13, 2019, \$175 million 2016 Debentures are outstanding.

Each 2016 Debenture is convertible at the holder’s option into fully-paid, no-assessable and freely tradable units at any time prior to the close of business on the last business day immediately preceding the date of maturity, or if such debenture has been called for redemption, then up to, but not after, the close of business on the last business day immediately preceding the date fixed for redemption at a conversion price of \$20.40 per Unit, being a ratio of approximately 49.0196 Units per \$1,000 principal amount of debentures.

The 2016 Debentures will not be redeemable by the Trust prior to December 31, 2019. Thereafter but prior to December 31, 2020, the 2016 Debentures will be redeemable, in whole or in part, at par plus accrued and unpaid interest, at the Trust’s sole discretion provided that the weighted average price of the units on the TSX for the 20 consecutive trading days ending five days preceding the date on which notice of redemption is given not less than 125% of \$20.40. On or after January 1, 2021, and prior to the maturity date, 2016 Debentures will be redeemable in whole or in part, at par plus accrued and unpaid interest, at the Trust’s sole option.

Declaration of Trust

The Declaration of Trust dated June 18, 1997, was amended and restated effective October 14, 1997, in connection with the Unit Offering. Effective August 18, 1999, the Declaration of Trust was amended and restated in connection with the Devan Transaction. There were further minor amendments dated April 5, 2000, August 1, 2002, February 19, 2004, March 21, 2006, October 29, 2009 and the Declaration of Trust was amended and restated effective May 18, 2010. The Declaration of Trust was again amended and restated effective May 5, 2015, to effect further minor amendments. The Declaration of Trust provides for matters relating generally to the creation and governance of the Trust and its units. The Declaration of Trust also provides for certain restrictions on investments (the “Investment Restrictions”), which may be made by the Trust and for policies relating to the Trust’s operations and affairs (the “Operating Policies”). A general synopsis of the provisions of the amended and restated Declaration of Trust is set out in Appendix “C” attached.

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ITEM 7 MARKET FOR SECURITIES

The following tables set forth the reported high and low trading prices and trading volumes of the Trusts units and 2016 Debentures as reported for the year ended December 31, 2020.

The Trust's units are listed on the TSX under the symbol "MRT.UN". During the year ended 2020 the price of units traded from a low of \$4.20 to a high of \$12.74.

Month	Price (\$)		Volume
	High	Low	
January	12.68	11.64	1,669,100
February	12.74	11.09	1,667,600
March	12.21	4.14	5,448,058
April	6.78	4.20	4,311,176
May	5.52	4.46	3,977,170
June	6.29	4.94	2,888,782
July	5.32	4.80	1,205,630
August	5.15	4.66	1,341,031
September	4.88	4.20	1,585,061
October	4.77	4.20	1,200,038
November	6.42	4.23	4,276,750
December	6.03	4.97	2,823,116

The Trust's 2016 Debentures are listed on the TSX under the symbol "MRT.DB". During the year ended December 31, 2020, the price of debentures traded from a low of \$60.00 to a high of \$105.00.

Month	Price (\$)		Volume
	High	Low	
January	105.00	101.03	9,950
February	104.50	101.00	6,880
March	101.50	60.00	67,980
April	90.01	75.00	11,410
May	92.00	84.98	26,440
June	94.95	87.50	16,050
July	99.00	94.10	19,380
August	97.74	94.00	14,870
September	96.00	90.99	5,960
October	95.00	88.31	17,780
November	98.75	92.00	13,290
December	100.00	96.50	14,060

ITEM 8 TRUSTEES AND OFFICERS OF THE TRUST

The following table sets forth certain information with respect to the Trustees and Officers of the Trust as at February 17, 2021. Unless otherwise indicated, the Trustees and Officers of the Trust have been in their principal occupations for more than five years.

Name and Municipality of Residence	Office	Trustee Since	Principal Occupation	No. of Units owned ⁽¹⁾
MICHAEL A. J. CATFORD Toronto, Ontario	Trustee	August 27, 1997	Sole proprietor of Michael A.J. Catford Real Estate Advisor (a consulting firm) since April 30, 2014. Prior thereto was Vice President, Real Estate, Healthcare of Ontario Pension Plan.	12,250
BART S. MUNN Toronto, Ontario	Trustee	May 9, 2018	Corporate Trustee. Previously was Chief Financial Officer of Choice Properties	10,000
TIMOTHY J. MURPHY Toronto, Ontario	Trustee	May 6, 2020	Lawyer, McMillan LLP	nil
K. RAI SAHI Mississauga, Ontario	Trustee, Chairman, President and Chief Executive Officer	November 10, 1998	Chairman and Chief Executive Officer of Morguard Corporation	2,196,427 ⁽²⁾
ANTONY K. STEPHENS Toronto, Ontario	Trustee	June 18, 1997	Corporate Trustee	56,250
DONALD W. TURPLE Vancouver, British Columbia	Trustee	May 6, 2020	Corporate Trustee, prior thereto was President of Aquilini Properties LP	nil
TIMOTHY J. WALKER Lefroy, Ontario	Trustee	May 14, 2014	Corporate Trustee, prior thereto was CFO of the Trust until April 30, 2014.	28,750
BEVERLEY G. FLYNN Toronto, Ontario	Senior Vice President, General Counsel and Secretary	-	Senior Vice President, General Counsel and Secretary of Morguard Corporation	7,800
PAUL MIATELLO Toronto, Ontario	Senior Vice President	-	Senior Vice President and Chief Financial Officer of Morguard Corporation	8,300
ANDREW TAMLIN Newmarket, Ontario	Chief Financial Officer	-	Chief Financial Officer of TWC Enterprises Limited	4,500
ANGELA SAHI Mississauga, Ontario	Senior Vice President	-	Senior Vice President of Morguard Corporation	nil

Note:

- (1) The information as to units beneficially owned or over which control or direction is exercised, not being within the knowledge of the Trust, has been furnished by the nominees as at February 17, 2021.
- (2) As at February 17, 2021 Morguard Corporation and its affiliates beneficially owned 39,040,641 units (approximately 60.9%) of the Trust. Mr. Sahi directly or indirectly owned approximately 6,691,000 shares (60.3%) of Morguard Corporation. Mr. Sahi is a director of Morguard Corporation.

Each of the Trustees will serve as a Trustee of the Trust until the next annual meeting of unitholders or until his successor is elected in accordance with the Declaration of Trust.

As at February 17, 2021, the Trustees and executive officers of the Trust (or persons acting in such capacity) as a group, beneficially own, directly or indirectly, or exercise control or direction over, including units owned by Morguard Corporation, 41,364,918 units, representing approximately 64.50% of the units outstanding.

The Trust has two committees: Audit and Human Resources and Governance. The members of each committee are as follows:

Audit Committee

Bart S. Munn (Chairman)
Michael A. J. Catford
Donald W. Turple
Timothy J. Walker

**Human Resources and Governance
Committee**

Timothy J. Walker (Chairman)
Michael A. J. Catford
Timothy J. Murphy
Antony Stephens

CEASE TRADE ORDERS, BANKRUPTICIES, PENALTIES OR SANCTIONS

No Trustee or executive officer of the Trust has within 10 years become subject to any proceedings with creditors, or any securities or other penalties or been involved with any company that was subject to cease trade or other securities order or proceedings with creditors.

ITEM 9 AUDIT COMMITTEE COMPOSITION, EDUCATION AND EXPERIENCE

The Audit Committee is responsible for reviewing the Trust's financial reporting policies and procedures, internal controls and performance of the Trust's external auditors and reporting to the Trustees regarding these and other financial matters. The committee is responsible for reviewing quarterly financial statements and the annual financial statements, and the accompanying management discussion and analysis of financial results, prior to their approval by the board of Trustees. The committee is also responsible for insurance risk management of the Trust.

The Audit Committee charter sets out its purpose, responsibilities and duties, qualifications for membership, accountability and reporting to the board of Trustees. A copy of the Audit Committee charter is attached hereto as Appendix "D". The Audit Committee consists of five Trustees, all of whom are independent directors and are considered financially literate. The Audit Committee members, along with relevant education and experience are as follows.

Mr. Catford is a real estate advisor and consultant. He held the position of Vice-President, Real Estate with Healthcare of Ontario Pension Plan (HOOPP) for 18 years until his retirement in 2014 and has over 30 years experience in the real estate industry.

Mr. Munn, CPA, CA, has more than 20 years' experience as a financial and real estate executive and is formerly the Chief Financial Officer of Choice Properties.

Mr. Turple, CPA, CA, is a real estate executive and consultant. He served as President of Aquilini Properties LP, a diversified real estate company from 2008 to 2017 and prior to that time, he held the position as consultant to Morguard Corporation holding a number of positions throughout his tenure including Vice President and Chief Financial Officer of TWC Enterprises Limited and Morguard Corporation.

Mr. Walker is a corporate director. He has held several senior management roles throughout his career in real estate and financial services, including, until April 30, 2014, Vice President and Chief Financial Officer of the Morguard Real Estate Investment Trust.

The Audit Committee has adopted a policy regarding the provision of non-audit services by the Trust's external auditors. The policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and required the Audit Committee's pre-approval of permitted audit and audit-related services. The policy specifies a number of services which are not permitted to be performed by the Trust's external auditors, including the use of external auditors for financial information design and implementation assignments. Additional information, including external auditor fees by category, is contained in the Management Information Circular of the Trust.

ITEM 10 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Property Management and Leasing Services

MIL has been appointed by the Trust to manage most of the Trust's real estate portfolio under a property management agreement (the "Property Management Agreement") as amended and restated as of August 18, 1999, and as amended effective as of October 1, 2001, and January 1, 2003, and January 1, 2012 between MIL and the Trust. The term of the Property Management Agreement was extended to August 31, 2021, and, unless the Property Management Agreement is terminated by either party on at least 180 days' notice prior to the current term, this term will automatically renew for an additional one year term. Property management fees average approximately 3.2% of gross revenue from the income producing properties owned by the Trust.

Under a leasing services agreement between MIL and the Trust, dated August 18, 1999 and amended October 1, 2001 and January 1, 2003 and January 1, 2012 (the "Leasing Services Agreement"), if the Trust chooses to use MIL to perform leasing services for any of the Trust's properties, it will pay MIL the standard leasing fees MIL charges to third parties. The current term of the Leasing Services Agreement expires on August 18, 2021. Unless terminated, this agreement will also automatically renew for additional one year terms. Either party may terminate the Leasing Services Agreement on 30 days written notice. Leasing fees range from 2% to 6% of the total minimum rent of new leases. Fees for the renewal of a lease are half of the fees for a new lease. Leasing services include lease documentation.

Under a development management agreement between MIL and the Trust, dated November 1, 2019 (the "Development Agreement"), if the Trust chooses to use MIL to perform development services for any of the Trust's properties, it will pay MIL 3 percent of Development Costs (as defined therein).

If MIL performs services for the Trust in addition to those specifically provided for in the Property Management Agreement, Leasing Services Agreement, Development Agreement, or Information Services Agreement, those services will be compensated as may be agreed upon between MIL and the Trust, from time to time, on the basis of fees at least as favourable to the Trust as those then generally charged by MIL for comparable services and activities. The Trust has employed the services of MIL for both the acquisition and disposition of properties on a case-by-case basis. Fees are generally based on the sale price of the properties and are capitalized in the case of an asset acquisition. MIL is a tenant at three of the Trust's properties. The Trust has employed the services of MIL for the appraisal of its real estate properties as required for IFRS reporting purposes. Fees are generally based on the size and complexity of each property and are expensed as part of the Trust's professional and compliance fees.

During the year, the Trust incurred/(earned) the following payable to MIL:

For the year ended December 31,	2020	2019
Property management fees ¹	\$8,103	\$9,157
Appraisal/valuation fees	351	357
Information services	220	220
Leasing fees	2,142	2,947
Project administration fees	414	816
Project management fees	327	434
Risk management fees	374	360
Internal audit fees	123	140
Off-site administrative charges	1,736	1,781
Rental revenue	(197)	(200)
	\$13,593	\$16,012

1. Includes property management fees on equity-accounted investment.

ITEM 11 MATERIAL CONTRACTS

Except as disclosed elsewhere herein and as disclosed in the Trust's Management Information Circular, or the Trust's audited financial statements for the year ended December 31, 2020 (copies of which have been filed with SEDAR at www.sedar.com and can also be found on the Trust's website at www.morguard.com), there are no material contracts to which the Trust is a party.

ITEM 12 LEGAL PROCEEDINGS

The Trust is contingently liable with respect to litigation, claims and environmental matters that arise from time to time, including those which could result in large mandatory damages or other relief, which could result in significant expenditures. While the outcome of these matters cannot be predicted with certainty, any liability that may arise from such contingencies should not have a material effect on the financial position or results of operations of the Trust. Any settlement of claims in excess of amounts recorded in the Trust's books of account will be charged to operations as and when such determination is made.

ITEM 13 AUDITORS, TRANSFER AGENT AND REGISTRAR

The independent auditor of the Trust is Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants, Ernst & Young Tower, 100 Adelaide Street, West, Toronto, Ontario, Canada, M5H 0B3. Such firm is independent of the Trust within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario (registered name of The Institute of Chartered Accountants of Ontario).

The Transfer Agent and Registrar for the Trust's units is Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 and Suite 700, 1500 Robert-Bourassa Boulevard, Montreal, Quebec H3A 3S8.

ITEM 14 ADDITIONAL INFORMATION

Additional information, including Trustees' and officers' remuneration and indebtedness, principal holders of the Trust's securities, options to purchase securities and interests of insiders in material transactions, as applicable, is contained in the Trust's information circular for its most recent annual meeting of unitholders. Additional financial information is provided in the Trust's comparative financial statements for the year ended December 31, 2020, and related Management's Discussion and Analysis. A copy of such documents may be obtained upon request from the Trust.

Additional information and disclosure relating the Trust including, financial and other material information is available on the Trust's website at www.morguard.com and may be found on SEDAR at www.sedar.com.

The Trust will also provide to any person upon request to the Secretary of the Trust:

- 1) When units are in the course of a distribution pursuant to a short form prospectus or when a preliminary short form prospectus has been filed in respect of a distribution of units,
 - a) One copy of the Trust's Annual Information Form, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the Annual Information Form;
 - b) One copy of the comparative financial statements of the Trust for its most recently completed financial year together with the accompanying report of the auditors and one copy of any interim financial statements of the Trust subsequent to the financial statements for its most recently completed financial year;
 - c) One copy of the Trust's information circular in respect of its most recent annual meeting of unitholders that involved the election of Trustees or one copy of any annual filing prepared in lieu of that information circular, as appropriate; and
 - d) One copy of any other document that is incorporated by reference into the preliminary short form prospectus or the short form prospectus and are not required to be provided under (a) to (c) above; or
- 2) At any other time, one copy of any other document referred to in 1) (a), (b) and (c) above, provided the Trust may require the payment of a reasonable charge if the request is made by a person who is not a unitholder.

APPENDIX A

ADDITIONAL PROPERTY PORTFOLIO INFORMATION

The following table summarizes certain aspects of each of the Income Producing Properties:

RETAIL PORTFOLIO

Property	City	Prov.	Ownership Interest (%)	Total Area (SF) ⁽¹⁾	Ownership Area (SF) ⁽¹⁾	Occupancy (%) ⁽²⁾
Burquitlam Plaza	Coquitlam	BC	100	68,000	68,000	95
Pine Centre Mall ⁽³⁾	Prince George	BC	100	446,500	446,500	99
Shelbourne Plaza	Victoria	BC	100	57,000	57,000	100
Airdrie Co-op Centre	Airdrie	AB	100	70,000	70,000	100
Airdrie RONA Centre	Airdrie	AB	100	44,000	44,000	100
Heritage Towne Centre	Calgary	AB	100	131,000	131,000	100
Prairie Mall ⁽³⁾	Grande Prairie	AB	50	263,000	131,500	94
Parkland Mall ⁽³⁾	Red Deer	AB	100	444,500	444,500	89
The Centre ⁽³⁾	Saskatoon	SK	100	497,000	497,000	95
Shoppers Mall ⁽³⁾	Brandon	MB	100	361,000	361,000	90
Charleswood Centre	Winnipeg	MB	100	123,000	123,000	97
Southdale Centre	Winnipeg	MB	100	175,500	175,500	94
Aurora Centre	Aurora	ON	100	304,000	304,000	99
Cambridge Centre ⁽³⁾	Cambridge	ON	100	650,000	650,000	90
Market Square	Kanata	ON	100	68,000	68,000	100
Wonderland Corners	London	ON	100	46,500	46,500	100
Kingsbury Centre	Mississauga	ON	100	70,000	70,000	100
Hampton Park Plaza	Ottawa	ON	100	102,000	102,000	96
St. Laurent	Ottawa	ON	100	797,500	797,500	95
Woodbridge Square ⁽³⁾	Vaughan	ON	50	112,000	56,000	100
TOTAL RETAIL				4,830,500	4,643,000	95

INDUSTRIAL PORTFOLIO

Property	City	Prov.	Ownership Interest (%)	Total Area (SF) ⁽¹⁾	Ownership Area (SF) ⁽¹⁾	Occupancy (%) ⁽²⁾
1875 Leslie	Toronto	ON	100	52,000	52,000	82
2041-2151 McCowan	Toronto	ON	100	197,000	197,000	95
279 Yorkland	Toronto	ON	100	18,000	18,000	100
285 Yorkland	Toronto	ON	100	25,000	25,000	100
TOTAL INDUSTRIAL				292,000	292,000	93

Notes:

- (1) These figures represent the aggregate net leasable area for the Property and are rounded to the nearest 500 square feet. Where a Property has more than one use, the figure includes the net leasable area for all uses.
- (2) Occupancy figures are based on net leasable area as at December 31, 2020; and exclude certain area that is either held for or under development.
- (3) BOMA BEST Sustainable Building.

OFFICE PORTFOLIO

Property	City	Prov.	Ownership Interest (%)	Total Area (SF) ⁽¹⁾	Ownership Area (SF) ⁽¹⁾	Occupancy (%) ⁽²⁾
111 Dunsmuir ⁽³⁾	Vancouver	BC	100	222,000	222,000	92
Chancery Place ⁽³⁾	Vancouver	BC	100	142,500	142,500	100
Seymour Place	Victoria	BC	100	235,500	235,500	100
505 3rd Street SW	Calgary	AB	50	142,000	71,000	78
7315 8th Street NE	Calgary	AB	100	19,500	19,500	-
Centre 810	Calgary	AB	100	77,500	77,500	90
Citadel West	Calgary	AB	100	78,500	78,500	100
Deerport Centre ⁽³⁾	Calgary	AB	100	49,000	49,000	43
Duncan Building ⁽³⁾	Calgary	AB	100	81,000	81,000	100
National Bank Building	Calgary	AB	100	43,500	43,500	100
207 and 215 9th Avenue SW	Calgary	AB	100	636,500	636,500	98
Petroleum Plaza ^{(3) (4)}	Edmonton	AB	50	304,000	152,000	98
Scotia Place ^{(3) (4)}	Edmonton	AB	20	565,000	113,000	55
301 Laurier Avenue	Ottawa	ON	50	26,000	13,000	19
525 Coventry	Ottawa	ON	100	42,500	42,500	100
Green Valley Office Park ⁽³⁾	Ottawa	ON	100	123,000	123,000	73
Heritage Place ⁽³⁾	Ottawa	ON	50	217,000	108,500	82
St. Laurent Business Centre ⁽³⁾	Ottawa	ON	100	88,500	88,500	50
Standard Life ⁽³⁾	Ottawa	ON	50	378,000	189,000	98
Time Square ⁽³⁾	Ottawa	ON	100	111,000	111,000	65
200 Yorkland ⁽³⁾	Toronto	ON	100	150,500	150,000	83
77 Bloor Street West ^{(3) (4)}	Toronto	ON	50	396,000	198,000	97
Place Innovation ⁽³⁾	Saint-Laurent	QC	50	896,000	448,000	93
TOTAL OFFICE				5,025,000	3,393,500	89

Notes:

- (1) These figures represent the aggregate net leasable area for the Property and are rounded to the nearest 500 square feet. Where a Property has more than one use, the figure includes the net leasable area for all uses.
- (2) Occupancy figures are based on net leasable area as at December 31, 2020; and exclude certain area that is either held for or under development.
- (3) BOMA BEST Sustainable Building.
- (4) LEED® Certified.

DESCRIPTION OF THE PROPERTIES

RETAIL PROPERTIES

British Columbia

526 - 562 Clarke Road, Coquitlam, British Columbia ("Burquitlam Plaza")

Burquitlam Plaza is a neighbourhood strip shopping centre built in 1960, with an expansion completed in 1980. The plaza is situated on a 7.98 acre irregular site on the northeast corner of Clarke Road and Smith Avenue. There are 387 parking spaces at this property. The property is located at a BC Transit LRT station.

3055 Massey Drive, Prince George, British Columbia ("Pine Centre Mall")

Pine Centre Mall is a single-storey enclosed regional shopping centre. The shopping centre was built in 1974, renovated and expanded in 2008 and is currently under redevelopment to add Winners/HomeSense

as a new format anchor, coupled with a strong and diversified tenant mix which also includes Lowes, SportChek and Shoppers Drug Mart. The property is situated on a 39.8 acre site and provides parking for 2,350 vehicles. Pine Centre Mall is a certified Gold BOMA BEST Sustainable Building.

3601 - 3675 Shelbourne Street, Victoria, British Columbia ("Shelbourne Plaza")

Shelbourne Plaza is single-storey neighbourhood shopping centre with two freestanding pads. It is on a 5.13 acre irregular site on the southeast corner of Shelbourne Street and Cedar Hill Cross Road, north of downtown Victoria. There are 260 parking spaces on site. Construction of the plaza was completed in 1960 and expansions and renovations were completed in 1986, 1988 and 2002.

Alberta

2700 Main Street South West, Airdrie, Alberta ("Airdrie Co-op Centre")

Airdrie Co-op Centre features good visibility from the Deerfoot Trail. It is anchored by a 44,811 square foot Co-op Grocery Store and is situated on 7.54 acres and provides parking for 376 vehicles. The building was constructed in 2000 and further intensified in 2016.

2649 Main Street South West, Airdrie, Alberta ("Airdrie RONA Centre")

Airdrie RONA Centre is part of a retail complex located in Airdrie, just west of the Deerfoot Trail and south of Yankee Valley Road. It is anchored by a 40,000 square foot RONA is situated on 4.82 acres and is able to accommodate parking for 123 cars. The building was constructed in 2000.

5 - 33 and 6 - 88 Heritage Gate South East, Calgary, Alberta ("Heritage Towne Centre")

Heritage Towne Centre is a retail complex situated on a 15 acre site located on Heritage Drive South East, just west of the Deerfoot Trail. The site provides for parking of 860 cars. The property was developed in 2002. The centre is anchored by Ashley Furniture. The adjacent parcel of land was acquired by Costco, on which they have constructed a 148,000 square foot store to service the South Calgary market.

11801 100th Street, Grande Prairie, Alberta ("Prairie Mall")

Prairie Mall is a market dominant, single-level enclosed full-scale regional shopping centre located in Grande Prairie, Alberta constructed in 1974 and renovated and expanded over time. The Property is the primary fashion shopping destination in Grande Prairie. The mall is anchored by Marshalls, Urban Planet, Ardene, Shoppers Drug Mart and Dollarama. Prairie Mall is a certified BOMA BEST Sustainable Building.

4747 67th Street, Red Deer, Alberta ("Parkland Mall")

Parkland Mall is a single-level enclosed full-scale regional shopping centre, anchored by Wal-Mart, a 75,000 square foot GoodLife Fitness/Fit for Less and 23,500 Winners. The property was constructed in 1970 and renovated and expanded over time. The mall fronts the main north-south thoroughfare through the city and is situated on 37.3 acres. It has approximately 2,500 parking stalls. Parkland Mall is a certified BOMA BEST Sustainable Building.

Saskatchewan

3510 - 8th Street East, Saskatoon, Saskatchewan ("The Centre")

The Centre is the largest suburban shopping centre in Saskatoon. The property was constructed in 1968, renovated in 1995 and is currently immersed in a wholesale cosmetic renovation. The existing facility was created by linking together two previously separated shopping centres. It contains 96 stores and has a parking capacity of 3,000 spaces. The property is located at the intersection of Eighth Street (a major east/west arterial route through Saskatoon) and Circle Drive, a ring road that surrounds most of the city. The mall is anchored by Co-op Grocery, GoodLife Fitness, Cineplex, Best Buy, SportChek, Ardene and Shoppers Drug Mart. The Centre is a certified BOMA BEST Sustainable Building.

Manitoba

1350 - 18th Street, Brandon, Manitoba ("Shoppers Mall")

Shoppers Mall is located on a 30 acre site at the intersection of 18th Street and Richmond Avenue. The property was constructed in 1971 and renovated and expanded over time. This one-storey enclosed full-scale regional shopping centre is considered to be the dominant retail centre in the city of Brandon. The major tenants are Sobeys, GoodLife, Shoppers Drug Mart, SportChek and Capitol Theatre. Shoppers Mall is a certified Gold BOMA BEST Sustainable Building.

3900 Grant Avenue, Winnipeg, Manitoba ("Charleswood Centre")

Charleswood Centre was originally constructed in 1982 and redeveloped into a neighbourhood shopping centre in 2005. The property is located at the intersection of Grant Avenue and Haney Street. The major tenant is Safeway.

35 Lakewood Boulevard, Winnipeg, Manitoba ("Southdale Centre")

Southdale Centre is located on the Trans-Canada Highway at Lakewood Boulevard and consists of a strip centre and five stand-alone buildings. The Trust owns a 100% leasehold interest in the land lease, which expires in 2064. The centre is anchored by Walmart.

Ontario

15400 Bayview Avenue, Aurora, Ontario ("Aurora Centre")

Aurora Centre is a single-storey, community shopping centre, located on 26 acres of land in Aurora, which was constructed in 1996 and 1997, 2005, 2009 and with 15,000 square feet recently added in 2017. The centre is anchored by Sobeys, Canadian Tire and a Cineplex multi-screen theatre and has a stand-alone GoodLife and PetSmart. There is further expansion potential on the site.

355 Hespeler Road, Cambridge, Ontario ("Cambridge Centre")

The retail centre is designated as the major regional shopping centre for the city of Cambridge and was originally constructed in 1973. In 2002, the Trust completed a major expansion which included a 140,000 square foot anchor space, a 40,000 square foot skating rink, and 100,000 square feet of additional retail, entertainment and service area. It has recently undergone a substantial redevelopment of its former Target Canada premises (2018) to house multiple large format tenancies. Today, Cambridge Centre includes over 145 stores and services. It is anchored by The Bay, Kingpin Cambridge, Galaxy Cinemas, SportChek, Marshalls, Indigo and Mark's. This property is located on Highway 24 (Hespeler Road) just south of Highway 401, in the heart of Cambridge. The centre has 3,300 parking spaces. Cambridge Centre is a certified Platinum BOMA BEST Sustainable Building.

457 Hazeldean Road, Kanata, Ontario ("Market Square")

Market Square is a single-storey, neighbourhood shopping centre located on 7.3 acres of land in Kanata. The neighbourhood centre, built in 1998, was expanded in 2004, 2005 and 2018. It is anchored by Farm Boy. The site contains 345 parking spaces.

735 Wonderland Road North, London, Ontario ("Wonderland Corners")

Wonderland Corners was originally constructed in 1988 and an expansion of the centre was completed in 1991 with the addition of second level office space.

1891 Rathburn Road East, Mississauga, Ontario ("Kingsbury Centre")

Kingsbury Centre is a single-storey, neighbourhood shopping centre located in Mississauga, which was constructed in 1982. The 6.11 acre site is irregularly shaped and has frontage of 540 feet on Rathburn Road in a residential neighbourhood. Rathburn Road is a major east/west arterial road between Eglinton Avenue and Burnhamthorpe Road. The plaza is 1.5 kilometres east of Dixie Road and three kilometres west of Highway 427. The plaza is anchored by Longo's, a 30,000 square foot supermarket store. The site offers 359 parking spaces.

1384 - 1427 Carling Avenue, Ottawa, Ontario ("Hampton Park Plaza")

Hampton Park Plaza is a two-storey community shopping centre, which was opened in 1961 and renovated in 1992. The property is located at the intersection of Kirkwood Avenue and Carling Avenue, in the western portion of the City of Ottawa, with visibility from the Queensway, a main east/west thoroughfare. Hampton Park Plaza contains 30 stores and services, including Food Basics. The site is 6.01 acres.

1200 St. Laurent Boulevard, Ottawa, Ontario ("St. Laurent")

St. Laurent Centre is the dominant retail facility located in the eastern part of the City of Ottawa. Originally constructed in 1967, it was expanded in 1979, and further expanded in 1991. In addition, significant restorations occurred in 1997, 1998, 2003 and 2015. The site is 43 acres. St. Laurent has 200 stores and a parking capacity of 4,000 spaces. Major tenants include The Hudson's Bay, SportChek and GoodLife Fitness. The centre serves as a major stop for the Ottawa/Carlton public transit route, which is linked directly to the centre through underground and street level connections. The public transit route has also been recently upgraded to a light rapid transit (LRT) line. St. Laurent Centre is a certified Gold BOMA BEST Sustainable Building.

7600 Weston Road, Vaughan, Ontario ("Woodbridge Square")

Constructed in 1989 and renovated over time, Woodbridge, Woodbridge Square is located at the intersection of Weston Road and Highway 7 in the heart of the City of Vaughan, which is just north of the City of Toronto. Woodbridge Square consists of 10 acres. The centre has 30 stores and is anchored by a Nations Fresh Foods grocery store.

INDUSTRIAL PROPERTIES

Ontario

1875 Leslie Street, Toronto, Ontario ("1875 Leslie")

1875 Leslie is a one-storey multi-tenant building containing retail/industrial space. Located in the North York area of Toronto, it was constructed in 1962 and retrofitted in 1993. The building is on a 3.13 acre rectangular site located on the east side of Leslie Street north of York Mills Road. There are 140 parking spaces for the building.

2041-2051 McCowan Road, Toronto, Ontario ("2041-2051 McCowan")

This property consists of three multi-tenant buildings constructed in 1977. The property is located in Scarborough on 16.24 acres. There are 284 surface parking stalls on-site.

279 Yorkland Boulevard, Toronto, Ontario ("279 Yorkland")

279 Yorkland is a one-storey single-tenant industrial building in North York area of Toronto, constructed in 1967. The building is on a 1.64 acre rectangular site on the north side of Yorkland Boulevard just west of the Yorkland Boulevard and Consumers Road intersection in the Consumers Road Business Park. The zoning for the property permits redevelopment for office use at a density of 1.5 times coverage. There are 39 parking spaces for the building.

285 Yorkland Boulevard, Toronto, Ontario ("285 Yorkland")

285 Yorkland is a one-storey single-tenant building containing industrial/office space in North York area of Toronto. The building, constructed in 1973, is situated on a 1.53 acre rectangular site on the north side of Yorkland Boulevard just west of the intersection of Yorkland Boulevard and Consumers Road in the Consumers Road Business Park. There are 81 parking spaces for the building.

OFFICE PROPERTIES

British Columbia

111 Dunsmuir Street, Vancouver, British Columbia ("111 Dunsmuir")

111 Dunsmuir is a 13-storey Class A office tower located on Dunsmuir Street between Cambie Street and Beatty Street in downtown Vancouver. The building sits on a 1.06 acre site and has a three level underground parking garage with 242 parking spaces. The building was constructed in 1994, and has highly sought after views of surrounding water and mountains and excellent access to public transit. 111 Dunsmuir is a Gold BOMA BEST Sustainable Building and Energy Star Certified building.

865 Hornby Street, Vancouver, British Columbia ("Chancery Place")

The property was constructed in 1982. It is located in downtown Vancouver, on the northwest corner of Hornby and Smithe Streets across from the Provincial Law Courts. This central location is within two blocks of both north-south transportation arteries (Burrard and Granville Streets) and Georgia Street, the major east-west arterial. This site is approximately 0.64 acres. Chancery Place is a 13-storey office tower fully leased to Her Majesty the Queen as represented by the Ministry of Labor and Citizens' Services for British Columbia, and podium with 22,000 square feet of retail. It has 4 floors of underground parking providing 235 stalls in which 38 stalls are reserved for residents of the adjacent apartment tower. Chancery Place is a certified Gold BOMA BEST Sustainable Building.

4000 Seymour Place, Victoria, British Columbia ("Seymour Place")

The property is improved with a four-storey office building built in 1983. It is situated on 11.7 acres north of downtown Victoria on the Blanchard Street corridor. The current site zoning allows for an additional 418,000 square feet of development which can include uses such as office, apartment, medical services, congregate housing and Assembly uses. The property currently has 595 surface parking stalls and the building is 100% occupied by Her Majesty the Queen as represented by the Ministry of Labor and Citizens' Services for British Columbia.

Alberta

505 3rd Street South West, Calgary, Alberta ("505 3rd Street SW")

505 3rd Street SW is a 18-storey office building located in the downtown core in Calgary. The building is situated on a 0.32 acre corner rectangular site with frontage on 5th Avenue South West and 3rd Street South West. 5th Avenue South West is one of the main eastbound routes through the downtown core. The building is close to Calgary's premier commercial buildings and takes full advantage of the city's downtown elevated Plus 15 walkway system, with existing bridges connected to the east and north end. Calgary's rapid transit system is located near the site. There are two levels of underground parking with 47 heated spaces. 505 3rd Street SW is an Energy Star Certified building.

7315 8th Street North East, Calgary, Alberta ("7315 8th Street NE")

7315-8th Street NE is a single-tenant, two-storey office building constructed in 1999. It is located in the Deerfoot Business Park in northeast Calgary, just southwest of the Calgary International Airport. The building is situated on a 1.94 acre site and features a fully finished basement including storage area and a fitness centre. There are 72 surface parking spaces.

239 8th Avenue South West, Calgary, Alberta ("National Bank Building")

The building is a three-storey banking services building located in downtown Calgary, and serves as the main office for National Bank's private banking division. It is situated on a 0.45 acre rectangular site at the corner of 2nd Street South West and 8th Avenue South West. The location is a high profile corner on the Stephen Avenue Mall (8th Avenue), the major public pedestrian corridor in downtown Calgary. Major office/retail complexes in the vicinity include Bankers Hall, Scotia Centre and Toronto Dominion Square. Parking is provided for 36 cars in one level of underground parking.

*7777 10th Street North East/7640-7686 8th Street NE/7645-7671 10th Street NE, Calgary, Alberta
("Centre 810")*

Centre 810 is a three building, single-storey multi-tenant office complex located in the Deerfoot Business Park. The buildings are situated on 6.3 acres and feature parking for 263 vehicles. The building was constructed in 2002.

540 12th Street South West, Calgary, Alberta ("Citadel West")

Citadel West is a seven-storey office building located within the beltline district of Calgary, Alberta. The property is situated on a 0.28 acre rectangular site and features 76 parking spaces. The building was constructed in 2006.

7326 10th Street North East, Calgary, Alberta ("Deerport Centre")

The Deerport Centre is located on the west side of the Deerfoot Business Park. The three-storey, multi-tenant office building is situated on 3.3 acres and provides for surface parking of 152 cars and underground parking for 36 cars. The Deerport Centre was constructed in 1999. Deerport Centre is a certified Silver BOMA BEST Sustainable Building.

7575 8th Street North East, Calgary, Alberta ("Duncan Building")

The Duncan Building is located in the Deerfoot Business Park immediately adjacent to 7315-8th Street NE. This three-storey office building was built in 2001 and is 100% occupied by Her Majesty the Queen as represented by the Ministry of Public Works and Government Service. It is situated on 3.63 acres and features 245 stalls of surface parking and 34 underground stalls. Duncan Building is a certified Silver BOMA BEST Sustainable Building.

207 and 215 9th Avenue South West, Alberta ("207 and 215 9th Avenue SW")

207 and 215 9th Avenue SW is located in the Central Business District of downtown Calgary. This Class A office complex comprises two office towers with 619,000 square feet of gross leasable office area, 379 parking spaces and 17,500 square feet of prime retail space. Both office towers are 100% leased to Obsidian Energy Ltd. (previously known as Penn West Petroleum Ltd.) under a long term lease with a remaining term of approximately 4 years. The building is close to Calgary's premier commercial buildings and is expected to take full advantage of the city's downtown elevated Plus 15 walkway system, with the newly constructed bridge. 207 and 215 9th Avenue SW is an Energy Star certified and Gold WiredScore building.

9945 108 Street North West, Edmonton, Alberta ("Petroleum Plaza")

Petroleum Plaza consists of two 13-storey towers. The two towers are connected by a retail podium at grade and are situated on a 1.38 acre site located in the government district of downtown Edmonton. The office portion of approximately 300,000 square feet is 100 percent leased to the Province of Alberta, and is one of the most prominent buildings in the government sector. Petroleum Plaza is LEED Silver certified and a Silver BOMA BEST Sustainable Building.

10060 Jasper Avenue, Edmonton, Alberta ("Scotia Place")

Scotia Place office building is located in the core of downtown Edmonton on Jasper Avenue, the main east/west corridor. It comprises one 21-storey office tower, one 28-storey office tower and ancillary ground (and lower) level retail space. The building is situated on a 0.90 acre irregular site. The building has direct access to the downtown subway system and is also tied into the city's Plus 15 system with a bridge link to Commerce Place. Scotia Place was constructed in phases with Phase I completed in 1982, and Phase II completed in 1983. A comprehensive curtain wall re-glazing project was completed in 2018 giving the office building a contemporary and timeless look. The Scotia Place office building forms part of the larger Scotia Place complex. The Scotia Place co-owners' agreement dated October 31, 1988, outlines the responsibility for the day-to-day operations of the complex, including the two level 318 space parkade (under all three properties). Revenue and cost sharing between the parties is as outlined in the agreement. The Trust has

a right of first refusal on the sale by any of the other co-owners of their interest in the complex. Scotia Place is LEED Silver certified (pending) and a Gold BOMA BEST Sustainable Building.

Ontario

301 Laurier Avenue, Ottawa, Ontario ("301 Laurier Avenue")

301 Laurier Avenue is a five-storey downtown office building with ground floor retail. The building was constructed in 1945. It is very well located at the corner of Laurier Avenue West and Bank Street in the CBD. The property adjoins the Standard Life Centre and its strategic acquisition completes the "Phase III development/redevelopment site" by adding a corner location and full block frontage along Bank Street.

525 Coventry Road, Ottawa, Ontario ("525 Coventry")

525 Coventry is a single-storey building. The property sits on a 2.8 acre site located in close proximity to St. Laurent Centre, one of the Trust's major regional shopping centres. The building was completed in 1965 and renovated in 2001.

955 Green Valley Crescent & 1101 Prince of Wales Drive, Ottawa, Ontario ("Green Valley Office Park")

Green Valley Office Park is a consolidation of four multi-tenant buildings consisting of two-and three-storeys with an elevator and atrium in each two-building complex. The development is located in suburban Ottawa on Prince of Wales Drive, near the intersection of Heron Road. The buildings were built in 1985 and 1987 on 4.35 acres. There are in aggregate 414 parking stalls on-site. Green Valley Office Park is a Silver BOMA BEST Sustainable Building.

155 Queen Street, Ottawa, Ontario ("Heritage Place")

Heritage Place is a 14-storey Class A office tower located in the Central Business District and Parliamentary District of Ottawa. The building is situated on a 0.6 acre rectangular site with frontage on Queen Street. There are 85 underground parking stalls on this property. The complex was completed in 1985. The newly constructed Ottawa Light Rail Transit (LRT) has the Parliament Station stop located at the building with the primary entrance on the east side at the corner of O'Connor and Queen Street. Heritage Place is a Silver BOMA BEST Sustainable Building.

1400 St. Laurent Boulevard, Ottawa, Ontario ("St. Laurent Business Centre")

St. Laurent Business Centre is a six-storey multi-tenant office building located on the St. Laurent Centre site. The building was built in 1985. The property benefits from its proximity to the St. Laurent Centre and all of the related amenities. St. Laurent Business Centre is a Silver BOMA BEST Sustainable Building.

280 Slater Street, 333 Laurier Place, 132-148/152-160 Bank Street, Ottawa, Ontario ("Standard Life")

The Standard Life consists of two ten-storey Class A office towers situated on a 1.0 acre site. The complex is located in the Central Business District in Ottawa. Standard Life I was completed in 1990 and Standard Life II was completed in 1992. The complex is serviced by an underground parking structure containing 321 parking stalls. The property adjoins 301 Laurier Avenue. Standard Life is a Silver BOMA BEST Sustainable Building.

47 Clarence Street, Ottawa, Ontario ("Time Square")

Time Square is a multi-tenant retail/office complex situated on a 0.94 acre rectangular corner site. Twenty-five tenants occupy its four levels around a large atrium. The ground floor level is mostly street-front retail. The building was completed in 1983. It enjoys a premier location in the heart of Ottawa's Byward Market area. Time Square is a Silver BOMA BEST Sustainable Building.

200 Yorkland Boulevard, Toronto, Ontario ("200 Yorkland")

200 Yorkland is an 11-storey multi-tenant suburban office building located in North York area of Toronto. The building is situated on a 2.33 acre rectangular site with frontage on Yorkland Boulevard in the Consumers Road Business Park, at the northeast quadrant of Highway 401 and the Don Valley Parkway (Highway 404). The property is readily accessible to both public and private vehicular transportation and

amenities are available nearby including a variety of restaurants and retail shopping. 200 Yorkland was developed in 1991 and includes a three level exterior parkade linked by a covered walkway, with 372 parking spaces. 200 Yorkland is a Silver BOMA BEST Sustainable Building.

77 Bloor Street West, Toronto, Ontario ("77 Bloor Street West")

77 Bloor Street West is a 21-storey Class A office building located on the southwest corner of Bloor Street West at Bay Street in Toronto. The building contains two levels of underground parking. The major tenant, occupying approximately 60% of the rentable area, is a major Canadian Chartered Bank. 77 Bloor Street West was built in 1969, and has been renovated several times, most recently in 2013. 77 Bloor Street West is LEED Gold certified, a Gold BOMA BEST Sustainable Building and is Gold WireScore certified.

Quebec

2311/2341/2351 Alfred-Nobel Boulevard, and 7055 Alexander-Fleming Street, Technoparc Montreal, St. Laurent, Quebec ("Place Innovation")

Place Innovation is a four-building interconnected office complex, located within Technoparc Montreal, the largest technology park in Canada, in the Montreal borough of Saint-Laurent, Quebec. The property is located on a 126 acre site that includes 56 acres of land available for future development. 2341 Boulevard Alfred-Nobel 2311 Alfred-Nobel, 2351 Boulevard Alfred-Nobel are Silver BOMA BEST Sustainable Buildings. 7055 Alexander-Fleming is a Gold BOMA BEST Sustainable Buildings.

APPENDIX B

SUMMARY OF SELECTED ANNUAL INFORMATION

In thousands of dollars, except per unit amounts	2020	2019	2018	2017	2016
Revenue from real estate properties	\$253,764	\$273,074	\$276,473	\$278,754	\$280,726
Net operating income	123,778	149,961	152,078	157,025	160,500
Fair value losses on real estate properties	(419,766)	(73,850)	(18,602)	(31,225)	(51,643)
Net (loss)/income	(357,419)	14,840	73,015	67,306	57,207
Funds from operations	66,924	90,894	94,992	100,766	113,500
Adjusted funds from operations ³	51,564	66,063	69,394	74,983	87,091
Net (loss)/income – basic	(\$5,75)	\$0.24	\$1.20	\$1.11	\$0.94
Net (loss)/income – diluted	(\$5,75)	\$0.24	\$1.12	\$1.05	\$0.93
Funds from operations – basic	\$1.08	\$1.50	\$1.56	\$1.66	\$1.87
Funds from operations – diluted	\$1.06	\$1.43	\$1.48	\$1.57	\$1.81
Adjusted funds from operations – basic ³	\$0.83	\$1.09	\$1.14	\$1.24	\$1.43
Adjusted funds from operations – diluted ³	\$0.83	\$1.07	\$1.12	\$1.20	\$1.41
Cash distributions per unit	\$0.64	\$0.96	\$0.96	\$0.96	\$0.96
Payout ratio – Adjusted funds from operations	77.1%	88.1%	84.2%	77.4%	67.1%
Weighted average number of units as at year-end (in thousands)					
Basic	62,108	60,711	60,705	60,622	60,750
Balance sheets					
Total assets	\$2,557,733	\$2,937,341	\$2,978,573	\$2,921,091	\$3,034,190
Total debt	\$1,357,679	\$1,352,545	\$1,349,724	\$1,306,710	\$1,435,735
Total equity	\$1,157,658	\$1,537,468	\$1,580,414	\$1,565,591	\$1,555,183
Gross leasable area as at year-end (in thousands of square feet) ¹					
Retail	4,642	4,778	4,629	4,793	4,788
Office	3,240	3,240	3,240	3,241	3,244
Industrial	292	292	534	534	534
Total	8,174	8,310	8,403	8,568	8,566
Occupancy as at year-end (%) ²					
Retail	94.6%	95.1%	94.7%	96.6%	96.1%
Office	88.7%	91.6%	92.9%	93.1%	96.5%
Industrial	93.3%	90.7%	91.7%	98.0%	97.7%
Total	92.1%	93.5%	93.8%	95.3%	96.4%

1. Excludes equity-accounted investment.

2. Excludes properties held for sale, area either held for, or under, development and equity-accounted investment.

3. The Trust uses normalized productive capacity maintenance expenditures to calculate adjusted funds from operations

APPENDIX C

SUMMARY OF DECLARATION OF TRUST

The following is a general synopsis of the provisions of the amended and restated Declaration of Trust. This summary is qualified in its entirety by the full text of such attributes contained in the Amended and Restated Declaration of Trust as of May 5, 2015.

The assets of the Trust may be invested only in accordance with the following Investment Restrictions:

- (a) The Trust shall focus its acquisition activities primarily on income-producing office, industrial, retail, and mixed use properties, but may acquire other income producing real estate, including, without limitation, residential apartment buildings;
- (b) The Trust may not acquire, or otherwise invest in, an interest in real property if, after giving effect to the proposed acquisition or investment, the cost to the Trust of the property or investment (net of the amount of acquisition debt) will exceed 15% of the gross book value (as defined below). This restriction does not apply to the investment by the Trust redevelopment of Burquitlam Plaza at 526-562 Clarke Road, Coquitlam, British Columbia, or the acquisition by the Trust of an interest or interests in a joint venture corporation or other entity in which, before and at the date of acquisition, the Trust holds an interest;
- (c) Notwithstanding anything else contained in the Declaration of Trust, the Trust may not make any investment, take any action or omit to take any action that would result in units not being units of a "mutual fund trust" at all times within the meaning of the Canadian Income Tax Act, as amended (the "Tax Act"); that would result in units being disqualified for investment by registered retirement savings plans, registered retirement income funds or deferred profit sharing plans; that would result in the Trust being liable under the Tax Act to pay tax as a result of holdings by the Trust of foreign property as defined in the Tax Act; that would result in units being foreign property for the purpose of the Tax Act; or that would result in the Trust paying tax under Part XI of the Tax Act for exceeding certain investment limits or for any other reason;
- (d) The Trust may invest in real property through a joint venture;
- (e) 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 receivables (including, without limitation, some or all of the receivables under any agreement relating to the issuance of units by way of instalment receipts), debt securities issued or guaranteed by the Government of Canada or a province thereof or by the United States of America or a state thereof, or money market instruments of, or guaranteed by, a Canadian bank listed on Schedule I to the Bank Act (Canada) maturing within one year from the date of issue, the Trust may not hold securities other than securities of a joint venture corporation, or other entity, or a limited partnership as contemplated below, or an entity owned, directly or indirectly, by the Trust formed and operated solely for the purpose of holding real property or an interest therein or a joint venture entity, or some or all of the receivables under any agreement relating to the issuance of units by way of instalment receipts, provided that, notwithstanding anything contained in the Declaration of Trust to the contrary, the Trust may acquire securities of other Canadian real estate investment trusts;
- (f) Except as otherwise prohibited in the Declaration of Trust, the Trust may invest in interests (including fee ownership and leasehold interests) in income-producing real property in Canada and the United States;

- (g) The Trust may 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 Trust may not invest in operating businesses, other than an undertaking in which the Trust is permitted to engage under the Tax Act, or acquire interests in general partnerships or limited partnerships; provided that the Trust may invest in a limited partnership if:
 - (i) The limited partnership is formed and operated solely for the purpose of holding real property;
 - (ii) The Trust has received a legal opinion from its legal counsel to the effect that the investment (a) would not result in the Trust or any registered retirement savings plan, registered income fund or deferred profit sharing plan being liable under the Tax Act to pay tax imposed as a result of holdings by the Trust of foreign property as defined in the Tax Act, (b) would not disqualify the Trust as a “mutual fund trust” within the meaning of the Tax Act and (c) would not result in the Trust losing any status under the Tax Act that is otherwise beneficial to the Trust and its unitholders;
- (i) The Trust may not invest in raw land for development or in development properties except for properties which are appropriately zoned and serviced or are capable of being so zoned and serviced and which are either (a) existing properties with additional development potential or properties adjacent to existing properties of the Trust for the purpose of the renovation or expansion of existing facilities, or (b) intended for the development of new facilities which will be capital property of the Trust, provided that the aggregate estimated committed cost to complete the developments referred to in (b) may not exceed 10% of the gross book value (defined below); and if the estimated committed cost to complete the development exceeds 5% of gross book value, satisfactory leasing arrangements (as determined by the Trustees in their discretion) are in place for not less than 50% of the rentable area of such facilities. The development or redevelopment costs of Burquitlam Plaza at 526-562 Clark Road, Coquitlam, British Columbia are to be excluded from this restriction;
- (j) The Trust may invest in mortgages and mortgage bonds (including participating or convertible mortgages) where:
 - (i) The real property which is security therefore is income-producing real property which otherwise meets the investment restrictions set out in the Declaration of Trust;
 - (ii) The mortgage is the first mortgage registered on title to the real property which is security therefore (other than construction financing which is subsequently put in place on the property);
 - (iii) At the date of making a mortgage, the amount of the mortgage is not in excess of 75% of the market value of the property securing the mortgage and the mortgage has at least 1.2 times debt service coverage based on then current industry rates and amortization periods; and
 - (iv) The aggregate value of all investments of the Trust in these mortgages, after giving effect to the proposed investment, will not exceed 15% of the gross book value;
- (k) Subject to paragraph (c) above, the Trust may invest an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any Indebtedness (as defined

below) assumed or incurred by the Trust and secured by a mortgage on such property) up to 15% of the gross book value in investments or transactions which do not comply with paragraphs (e), (i) and (j) above.

The Declaration of Trust provides that the operations and affairs of the Trust shall be conducted in accordance with the following Operating Policies:

- (a) The Trust may 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” shall have the meaning ascribed thereto by National Policy 39 (now National Instrument 81-102) adopted by the Canadian Securities Administrators, as amended from time to time;
- (b) Any written instrument creating an obligation which is or includes a lease, sub-lease or mortgage of the Trust, and any other written instrument which is, in the judgement of the Trustees or the Investment Committee (as defined below), a material obligation, must 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 shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of the Trustees, unitholders, annuitants under a plan of which a unitholder acts as a trustee or carrier, or officers, employees or agents of the Trust, but that only property of the Trust shall be bound; the Trust, however, is not required but will use commercially reasonable efforts in the circumstances to comply with this requirement in respect of existing material obligations assumed by the Trust upon the acquisition of real property;
- (c) Except for redevelopment, renovation or expansion of existing facilities and the development of new facilities as permitted under paragraph (i) of the Investment Restrictions above, the Trust may not engage in construction or development of real property except as necessary to maintain its real properties in good repair or to enhance the income-producing ability of properties in which the Trust has an interest;
- (d) Title to the Trust’s real estate must be held by and registered in the name of the Trust, the Trustees or a corporation or other entity wholly-owned, directly or indirectly, by the Trust or jointly owned, directly or indirectly, by the Trust with joint venturers or, as applicable, a limited partnership in which the Trust is permitted to invest under the terms of the Investment Restrictions or by any other person of the Trustee’s choosing, if the Trustees determine that title so held and registered is advantageous to the Trust and if the person holding title executes a declaration of trust or a nominee agreement acknowledging that legal title to the real property is held in trust for the benefit of the Trust;
- (e) The Trust may not, without the consent of the Investment Committee, lease or sublease to any person 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 10% of the gross book value;
- (f) The Trust may not enter into any transaction involving the purchase of lands or land and improvements thereon and the leasing thereof back to the vendor where the fair market value, net of encumbrances of the property being leased to the vendor, together with all other property being leased by the Trust to the vendor and its affiliates, is in excess of 10% of the gross book value;
- (g) The limitations contained in paragraphs (e) and (f) above do not apply where a person to whom the lease or sublease is made is, or where the lease or sublease is guaranteed by, (i) the Government of Canada, the Government of the United States, any province of Canada, any state of the United States, any municipality in Canada or the United States, or any agency thereof; (ii) any corporation, the bonds

- or debentures or other evidences of indebtedness for which are authorized as an investment for insurance companies pursuant to paragraph 86(1) (k) of the Canadian and British Insurance Companies Act in effect on December 31, 1991 or (ii) a Canadian chartered bank or a trust company registered under the laws of Canada or a province of Canada;
- (h) The Trust may not incur or assume any Indebtedness (excluding any Indebtedness secured against instalment receipts evidencing beneficial ownership of units) if, after giving effect to incurring or assuming the Indebtedness, the amount of all Indebtedness of the Trust would be more than 60% of the gross book value, unless a majority of the Trustees, in their discretion, determine that the maximum amount of Indebtedness shall be based on the appraised value of the assets of the Trust;
 - (i) The Trust may not incur, assume or guarantee any Indebtedness under a mortgage by a corporation or other entity wholly owned, directly or indirectly, by the Trust or jointly-owned, directly or indirectly, by the Trust with joint venturers unless the mortgage, if granted by the Trust directly, would not cause the Trust to otherwise contravene its Investment Restrictions and Operating Policies;
 - (j) The Trust must obtain and maintain at all times insurance coverage for liabilities of the Trust and the accidental loss of value of the assets of the Trust from risks, in amounts, with such insurers, and on such terms as the Trustees or the Investment Committee considers appropriate, taking into account all relevant factors, including the practices of owners of comparable properties;
 - (k) No acquisition may be made nor any development undertaken unless and until the officers of the Trust have prepared and presented to the Investment Committee or the Trustees a written report containing their recommendation that the Trust 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 the investment decision;
 - (l) The Trust must conduct a Phase I environmental site assessment (or environmental audit) of each real property to be acquired by it and, if the Phase I environmental site assessment report recommends that further environmental assessments or investigations be conducted and the officers of the Trust, the Investment Committee or the Trustees consider it commercially reasonable to do so, the Trust must conduct such further environmental assessments, in each case by an independent and experienced environmental consultant, before any acquisition is made, the environmental site assessment must be satisfactory to the Investment Committee or the Trustees and any required remedial action plan shall be in place. When completed, remedial action must be subject to the review of independent and experienced environmental consultants and take into account accepted standards and practices of owners of comparable properties in the jurisdiction;
 - (m) All new leases granted by the Trust must contain appropriate covenants from the lessees respecting environmental matters in accordance with the environmental policies of the Trust as determined by the Trustees or the Investment Committee from time to time;
 - (n) The Trust must have an environmental management program (including policies and procedures) and diligently pursue its implementation including regular inspections (and if necessary or desirable, environmental site assessments) of its properties (including tenant space) to ensure compliance with all applicable environmental laws and regulations and the environmental policies and procedures adopted by the Trust;
 - (o) The Trust must conduct its business in accordance with all applicable laws and regulations;

- (p) At no time may Indebtedness aggregating more than 15% of the gross book value (other than trade payables, accrued expenses and distributions payable) be at floating interest rates or have maturities of less than one year, not including Indebtedness with an original maturity of more than one year falling due within the next 12 months; and,
- (q) The Trust must not issue additional units unless the Trustees consider that, based upon the market price of the units prevailing at such time, the issuance of units would be expected to result in a yield to unitholders over the ensuing 24 month period which at least equals the current yield to unitholders.

Any reference above to investment in real property includes an investment in a joint venture arrangement, provided it does not constitute a partnership interest except as may be permitted by the Trust's aforementioned Investment Restrictions. For the purpose of the Investment Restrictions and Operating Policies, the assets, liabilities and transactions of a corporation wholly-owned or partially owned by the Trust will be deemed to be those of the Trust on a proportionate and consolidated basis. Notwithstanding anything referred to above, the Trust is not prohibited from holding any receivables due pursuant to any agreement relating to the issuance of units by way of instalment receipts.

The term "gross book value" means the book value of the assets of the Trust, plus the amount of accumulated amortization recorded in the books and records of the Trust calculated in accordance with generally accepted accounting principles ("GAAP"). The term "Indebtedness" means (without duplication) on a consolidated basis (i) any obligation of the Trust for borrowed money, (ii) any obligation of the Trust incurred in connection with the acquisition of property, assets or businesses, (iii) any obligation of the Trust issued or assumed as the deferred purchase price of property, (iv) any capital lease obligation of the Trust and (v) any obligation of the type referred to in clauses (i) through (iv) of another person, the payment of which the Trust has guaranteed or for which the Trust is responsible for or liable; provided that for the purposes of (i) through (iv), an obligation will constitute Indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of the Trust in accordance with GAAP, with one exception as set out in the February 19, 2004 Amendment to the Declaration of Trust. That exception is that subordinated convertible debentures issued prior to December 31, 2002 shall not constitute Indebtedness, except to the extent that such obligations would appear as liabilities on the balance sheet of the Trust in accordance with GAAP in effect on December 31, 2002. Obligations referred to in clauses (i) through (iii) exclude trade accounts payable, distributions payable to unitholders and accrued liabilities arising in the ordinary course of business.

Pursuant to the Declaration of Trust, all of the Investment Restrictions and many of the Operating Policies may be amended only with the approval of two-thirds of the votes cast by unitholders at a meeting called for such purpose. The balance of the Operating Policies may be amended upon the approval of a majority of the votes cast by unitholders at a meeting called for such purpose.

The Declaration of Trust restricts ownership of units by non-residents of Canada to beneficial ownership of not more than 49% of the units in total. If the transfer agent and registrar of the Trust or the Trustees determine that more than 49% of the units in total are held by non-residents, the transfer agent and registrar may send a notice to non-resident holders of 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 units or a portion thereof.

Other provisions of the Declaration of Trust are described elsewhere in this Annual Information Form. The full Amended and Restated Declaration of Trust is available through SEDAR at www.sedar.com and on the Trust's website at www.morguard.com.

APPENDIX D

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. PURPOSE

The overall purpose of the Audit Committee (the “**Committee**”) of Morguard Real Estate Investment Trust (the “**Trust**”) is to monitor the Trust’s system of internal financial controls, to evaluate and report on the integrity of the financial statements of the Trust, to enhance the independence of the Trust’s external auditors and to oversee the financial reporting process of the Trust.

2. COMPOSITION, PROCEDURES AND ORGANIZATION

- 2.1 The Committee shall consist of at least three members of the Board of the Trust (the “**Board**”), each of whom shall be, in the determination of the Board, “independent” as that term is defined by Multilateral Instrument 52-110, as amended from time to time, and the majority of whom shall be resident Canadians. Each member shall complete and return to the Trust annually a questionnaire regarding the member’s independence. The definition of “independent” is set out in Exhibit A hereto.
- 2.2 All members of the Committee shall be, in the determination of the Board, “financially literate” as that term is defined by Multilateral Instrument 52-110, and at least one member of the Committee must have, in the determination of the Board, “accounting or related financial expertise”. The definition of “financially literate” is set out in Exhibit A hereto.
- 2.3 The Board, at its organizational meeting held in conjunction with each annual meeting of unitholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. Any member of the Committee ceasing to be a trustee of the Trust shall cease to be a member of the Committee.
- 2.4 Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from among their number.
- 2.5 The Committee shall have access to such officers and employees of the Trust and to the Trust’s external auditors and its legal counsel, and to such information respecting the Trust as it considers to be necessary or advisable in order to perform its duties.
- 2.6 Notice of every meeting shall be given to the external auditors, who shall, at the expense of the Trust, be entitled to attend and to be heard thereat.
- 2.7 Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet on a regular basis, at such times and at such locations as the chair of the Committee shall determine;
 - (b) the external auditors or any member of the Committee may call a meeting of the Committee;
 - (c) any trustee of the Trust may request the chair of the Committee to call a meeting of the Committee and may attend such meeting to inform the Committee of a specific

- matter of concern to such trustee, and may participate in such meeting to the extent permitted by the chair of the Committee; and
- (d) the external auditors and management employees shall, when required by the Committee, attend any meeting of the Committee.

- 2.8 The external auditors shall be entitled to communicate directly with the chair of the Committee and may meet separately with the Committee. The Committee, through its chair, may contact directly any employee in the Trust as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper practices or transactions.
- 2.9 Compensation to members of the Committee shall be limited to trustee's fees, either in the form of cash or equity, and members shall not accept consulting, advisory or other compensatory fees from the Trust (other than as members of the Board and Board committee members).
- 2.10 The Committee is authorized, at the Trust's expense, to retain independent counsel and other advisors as it determines necessary to carry out its duties and to set their compensation.

3. DUTIES

- 3.1 The overall duties of the Committee shall be to:
- (a) assist the Board in the discharge of its duties relating to the Trust's accounting policies and practices, reporting practices and internal controls;
 - (b) establish and maintain a direct line of communication with the Trust's external auditors and assess their performance;
 - (c) oversee the co-ordination of the activities of the external auditors;
 - (d) ensure that the management of the Trust has designed, implemented and is maintaining an effective system of internal controls;
 - (e) monitor the credibility and objectivity of the Trust's financial reports;
 - (f) report regularly to the Board on the fulfillment of the Committee's duties;
 - (g) assist the Board in the discharge of its duties relating to the Trust's compliance with legal and regulatory requirements; and
 - (h) assist the Board in the discharge of its duties relating to risk assessment and risk management.
- 3.2 The Committee shall be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Trust, including the resolution of disagreements between management and the external auditors regarding financial reporting, and in carrying out such oversight the Committee's duties shall include:
- (a) recommending to the Board a firm of external auditors to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Trust;

- (b) reviewing, where there is to be a change of external auditors, all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102 -- *Continuous Disclosure Obligations* or any successor legislation ("NI 51-102"), and the planned steps for an orderly transition;
- (c) reviewing all reportable events, including disagreements, unresolved issues and consultations, as defined in NI 51-102 or any successor legislation, on a routine basis, whether or not there is to be a change of external auditor;
- (d) reviewing the engagement letters of the external auditors, both for audit and non-audit services;
- (e) reviewing the performance, including the fee, scope and timing of the audit and other related services and any non-audit services provided by the external auditors; and
- (f) reviewing and approving the nature of and fees for any non-audit services performed for the Trust by the external auditors and consider whether the nature and extent of such services could detract from the firm's independence in carrying out the audit function.

3.3 The duties of the Committee as they relate to audits and financial reporting shall be to:

- (a) review the audit plan with the external auditor and management;
- (b) review with the external auditor and management any proposed changes in accounting policies, the presentation of the impact of significant risks and uncertainties, and key estimates and judgments of management that may in any such case be material to financial reporting;
- (c) review the contents of the audit report;
- (d) question the external auditor and management regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
- (e) review the scope and quality of the audit work performed and the compensation therefore;
- (f) review the adequacy of the Trust's financial and auditing personnel;
- (g) review the co-operation received by the external auditor from the Trust's personnel during the audit, any problems encountered by the external auditors and any restrictions on the external auditor's work;
- (h) review the internal resources used;
- (i) review the evaluation of internal controls by the internal auditor (or persons performing the internal audit function) and the external auditors, together with management's response to the recommendations, including subsequent follow-up of any identified weaknesses;

- (i) review the appointments of the chief financial officer, internal auditor (or persons performing the internal audit function) and any key financial executives involved in the financial reporting process;
 - (k) review and recommend to the Board for approval the Trust's annual audited financial statements and those of its subsidiaries in conjunction with the report of the external auditors thereon, and obtain an explanation from management of all significant variances between comparative reporting periods before release to the public;
 - (l) review and approve the Trust's interim unaudited financial statements, and obtain an explanation from management of all significant variances between comparative reporting periods before release to the public;
 - (m) establish a procedure for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and employees' confidential anonymous submission of concerns regarding accounting and auditing matters; and
 - (n) review and recommend for approval the terms of reference for an internal auditor or internal audit function.
- 3.4 The duties of the Committee as they relate to accounting and disclosure policies and practices shall be to:
- (a) review changes to accounting principles of the Canadian Institute of Chartered Accountants which would have a significant impact on the Trust's financial reporting as reported to the Committee by management and the external auditors;
 - (b) review the appropriateness of the accounting policies used in the preparation of the Trust's financial statements and consider recommendations for any material change to such policies;
 - (c) review any actual or anticipated litigation or other contingent liabilities which could have material impact on the Trust's financial statements and the manner and adequacy of disclosure thereof;
 - (d) review the status of income tax returns and potentially significant tax problems as reported to the Committee by management;
 - (e) review any errors or omissions in the current or prior year's financial statements;
 - (f) review and approve before their release all public disclosure documents containing audited or unaudited financial information, including all earnings, press releases, MD&A, prospectuses, annual reports to unitholders, annual information forms and management's discussion and analysis;
 - (g) oversee and review all written financial information and earnings guidance provided to analysts and rating agencies; and
 - (h) review the Certifications of chief executive officer and chief financial officer as to accuracy and completeness of the Trust's reports and filings with securities regulators.

3.5 The other duties of the Committee shall include:

- (a) reviewing any inquires, investigations or audits of a financial nature by governmental, regulatory or taxing authorities;
- (b) formulating clear hiring policies for employees or former employees of the Trust's external auditors;
- (c) reviewing annual operating and capital budgets;
- (d) reviewing the funding and administration of the Trust's compensation plans;
- (e) reviewing and reporting to the Board on difficulties and problems with regulatory agencies which are likely to have a significant financial impact;
- (f) inquiring of management and the external auditors as to any activities that may be or may appear to be illegal or unethical;
- (g) ensuring procedures are in place for the receipt, retention and treatment of complaints and employee concerns received regarding accounting or auditing matters and the confidential, anonymous submission by employees of the Trust of concerns regarding such;
- (h) reviewing the adequacy of the Trust's insurance program in covering property, casualty, environmental and other insurable risks;
- (i) reviewing managements system of risk management identification and mitigation; and
- (j) any other questions or matters referred to it by the Board.

EXHIBIT A

TO TERMS OF REFERENCE OF THE AUDIT COMMITTEE FOR DEFINITIONS

Definitions.

“Financially Literate” means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer’s financial statements.

Meaning of “Independence”

1. A member of an audit committee is independent if the member has no direct or indirect material relationship with the Trust.
2. For the purposes of paragraph 1, a material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment.
3. Despite paragraph 2, the following persons are considered to have a material relationship with the Trust:
 - (a) a person who is, or whose immediate family member is, or at any time during the prescribed period has been, an officer or employee of the Trust, its parent, or of any of its subsidiary entities or affiliated entities;
 - (b) a person who is, or has been an affiliated entity of, a partner of, or employed by, a current or former internal or external auditor of the Trust, unless the prescribed period has elapsed since the person’s relationship with the internal or external auditor, or the auditing relationship, has ended;
 - (c) a person whose immediate family member is, or has been, an affiliated entity of, a partner of, or employed in a professional capacity by, a current or former internal or external auditor of the Trust, unless the prescribed period has elapsed since the person’s relationship with the internal or external auditor, or the auditing relationship, has ended;
 - (d) a person who is, or has been, or whose immediate family member is or has been, employed as an executive officer of an entity if any of the Trust current executives serve on the entity’s compensation committee, unless the prescribed period has elapsed since the end of the service or employment;
 - (e) a person who accepts, or has accepted at any time during the prescribed period, directly or indirectly, any consulting, advisory or other compensatory fee from the Trust or any subsidiary entity of the Trust, other than as remuneration for acting in his or her capacity as a member of the Committee, the Board, or any other Board committee; and
 - (f) a person who is an affiliated entity of the Trust or any of its subsidiary entities.
4. For the purposes of paragraph 3, the prescribed period is the three year period ending immediately prior to the determination required by paragraph 3.
5. For the purposes of paragraphs 3(b) and 3(c), a partner does not include a limited partner whose interest in the internal or external auditor is limited to the receipt of fixed amounts of compensation

(including deferred compensation) for prior service with an internal or external auditor if the compensation is not contingent in any way or continued service.

6. For the purpose of paragraph 3(e), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
7. For the purposes of paragraph 3(e), the indirect acceptance by a person of any consulting, advisory or other compensatory fee includes acceptance of a fee by:
 - (a) an immediate family member, or
 - (b) a partner, member or executive officer of, or a person who occupies a similar position with, an entity that provides accounting, consulting, legal, investment banking or financial advisory services to the Trust or any subsidiary entity of the Trust, other than limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the Trust.