CALLOWAY

REAL ESTATE INVESTMENT TRUST

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2011

Dated: February 23, 2012

GLOSSARY

The following terms used in this annual information form have the meanings set out below. Unless the context otherwise requires, any reference in this annual information form to any agreement, instrument, indenture, declaration or other document shall mean such agreement, instrument, indenture or other document, as amended, supplemented and restated at any time and from time to time prior to the date hereof or in the future.

"**2007 Shelf Prospectus**" means the base shelf prospectus of Calloway dated September 21, 2007 qualifying the issue of up to $2,000,000,000 in debt or equity securities;

"2009 Shelf Prospectus" means the base shelf prospectus of Calloway dated October 9, 2009 qualifying the issue of up to $2,000,000,000 in debt or equity securities;

"**2011 Shelf Prospectus**" means the base shelf prospectus of Calloway dated October 31, 2011 qualifying the issue of up to $2,000,000,000 in debt or equity securities;

"**5.75% Convertible Debentures**" means the convertible unsecured subordinated debentures of Calloway due June 30, 2017 bearing interest at an annual rate of 5.75% per annum;

"**6% Convertible Debentures**" means the convertible unsecured subordinated debentures of Calloway originally due June 30, 2014 that bore interest at an annual rate of 6% per annum;

"**6.65% Convertible Debentures**" means the convertible unsecured subordinated debentures of Calloway due June 30, 2013 bearing interest at an annual rate of 6.65% per annum;

"**Acquisition 1 Properties**" means the 9 properties acquired from SmartCentres in October 2003;

"**Acquisition 2 Properties**" means the 12 properties acquired from the Partnership in February 2004;

"**Acquisition 3 Properties**" means the 12 properties acquired from the Partnership in May 2004;

"**Acquisition 4 Properties**" means, collectively, the Acquisition 4A Properties and the Acquisition 4B Properties;

"**Acquisition 4A Properties**" means the 6 properties acquired from the Partnership in November 2004;

"**Acquisition 4B Properties**" means the 8 properties acquired from the Co-ownership in March 2005;

"**Acquisition 5 Properties**" means the 45 properties acquired from SmartCentres, Wal-Mart Canada Realty Inc. and other vendors in July 2005;

"**Acquisition 6 Properties**" means the 4 properties acquired from SmartCentres in April 2006;

"**Acquisition 7 Properties**" means the 14 properties acquired from SmartCentres and other vendors in December 2006;

"**Acquisition 8 Properties**" means the 3 properties acquired from SmartCentres and other vendors in July 2007;

"**Acquisition 9 Properties**" means the 6 properties acquired from SmartCentres and Wal-Mart Canada Realty Inc. in June 2008;

"**Acquisition 11 Properties**" means the 2 properties acquired from SmartCentres and Wal-Mart Canada Realty Inc. in September 2010;

"**Acquisition 12 Properties**" means the 3 properties acquired from SmartCentres and Wal-Mart Canada Realty Inc. in August 2011;

"**Adjusted Funds From Operations**" is more specifically described in the management's discussion and analysis of results of operations and financial condition issued by Calloway from time to time but, generally speaking means the net income of Calloway plus non-cash items including, but not limited to, amortization of building, deferred costs, intangible assets, and gains on dispositions less sustaining capital and leasing expenditures;

"**Adjusted Unitholders' Equity**" means, at any time, the aggregates of the amount of Unitholders' equity and the amount of accumulated depreciation recorded in the books and records of Calloway in respect of its properties, calculated in accordance with generally accepted accounting principles;

"**Audit Committee**" has the meaning attributed thereto under the section of this annual information form entitled "Declaration of Trust and Description of Units – Committees of Trustees – Audit Committee";

"**Board of Trustees**" means the board of trustees of Calloway;

"**Business Day**" means any day other than a Saturday, Sunday or a day on which the principal chartered banks located at Calgary, Alberta are not open for business during normal banking hours;

"**Calloway**" means Calloway Real Estate Investment Trust, an unincorporated open-end trust established under the Declaration of Trust and governed by the laws of the Province of Alberta and, where the context requires, includes its subsidiaries;

"**Calloway Developments**" has the meaning attributed thereto under the section of this annual information form entitled "Overview and Strategic Direction – Developments, Earnouts and Mezzanine Financing";

"**Calloway LP**" means Calloway Limited Partnership, a limited partnership formed under the laws of the Province of Alberta;

"**Calloway LP II**" means Calloway Limited Partnership II, a limited partnership formed under the laws of the Province of Alberta;

"**Calloway LP III**" means Calloway Limited Partnership III, a limited partnership formed under the laws of the Province of Alberta;

"**Calloway LP Agreement**" means the limited partnership agreement governing Calloway LP, as amended from time to time;

"**Calloway LP II Agreement**" means the limited partnership agreement governing Calloway LP II, as amended from time to time;

"**Calloway LP III Agreement**" means the limited partnership agreement governing Calloway LP III, as amended from time to time;

"**Calloway Option**" has the meaning attributed thereto under the section of this annual information form entitled "Calloway Real Estate Investment Trust – Amendment to the Exchange Procedure for Certain Exchangeable Securities";

"**Canada Yield Price**" means a price equal to the price of the Series B 5.37% Debentures, the Series D 7.95% Debentures, the Series E 5.10% Debentures, the Series F 5.00% Debentures or the Series G 4.70% Debentures, as applicable, calculated to provide a yield to maturity, compounded semi-annually and calculated in accordance with generally accepted financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the date on which Calloway gives notice of redemption of the applicable series of debentures pursuant to the trust indenture governing the applicable series of debentures plus:

(a) 0.34% in the case of the Series B 5.37% Debentures,

(b) 1.33% in the case of the Series D 7.95% Debentures,

(c) 0.61% in the case of the Series E 5.10% Debentures,

(d) 0.58% in the case of the Series F 5.00% Debentures, and

(e) 0.67% in the case of the Series G 4.70% Debentures;

"**Conversion Process**" has the meaning attributed thereto under the section of this annual information form entitled "Calloway Real Estate Investment Trust – Amendment to the Exchange Procedure for Certain Exchangeable Securities";

"**Co-ownership**" means the Wal-Mart-SmartCentres Co-ownership;

"**Corporate Governance and Compensation Committee**" has the meaning attributed thereto under the section of this annual information form entitled "Declaration of Trust and Description of Units – Committees of Trustees – Corporate Governance and Compensation Committee";

"**DBRS**" means DBRS Limited;

"**Debentures**" means, collectively:

(a) the Series B 5.37% Debentures,

(b) the Series D 7.95% Debentures,

(c) the Series E 5.10% Debentures,

(d) the Series F 5.00% Debentures,

(e) the Series G 4.70% Debentures,

(f) the 5.75% Convertible Debentures, and

(g) the 6.65% Convertible Debentures;

"**Debenture Trustee**" means Computershare Trust Company of Canada, in its capacity as trustee for the Debentures;

"**Declaration of Trust**" means the declaration of trust dated December 4, 2001, as amended and restated as of October 24, 2002, October 31, 2003, January 16, 2004, July 7, 2005, May 16, 2006 and September 14, 2009;

"**Development Agreements**" means, collectively, the Development Agreements 1, Development Agreements 2, Development Agreements 3, Development Agreements 4A, Development Agreements 4B, Development Agreements 6, Development Agreements 8, Development Agreements 9, Development Agreements 11 and Development Agreements 12;

"**Development Agreements 1**" means the development agreements, as amended from time to time, between Calloway and SmartCentres respecting future developments on the Acquisition 1 Properties;

"**Development Agreements 2**" means the development agreements, as amended from time to time, between Calloway and the Partnership respecting future developments on the Acquisition 2 Properties;

"**Development Agreements 3**" means the development agreements, as amended from time to time, between Calloway and the Partnership respecting future developments on the Acquisition 3 Properties;

"**Development Agreements 4A**" means the development agreements, as amended from time to time, between Calloway and the Partnership respecting future developments on the Acquisition 4A Properties;

"**Development Agreements 4B**" means the development agreements, as amended from time to time, between Calloway and the Partnership II respecting future developments on the Acquisition 4B Properties;

"**Development Agreements 6**" means the development agreements, as amended from time to time, between Calloway and SmartCentres respecting future developments on the Acquisition 6 Properties;

"**Development Agreements 8**" means the development agreements, as amended from time to time, between Calloway and SmartCentres respecting future developments on the Acquisition 8 Properties;

"**Development Agreements 9**" means the development agreements, as amended from time to time, between Calloway and SmartCentres and Wal-Mart Canada Realty Inc. respecting future developments on the Acquisition 9 Properties;

"**Development Agreements 11**" means the development agreements, as amended from time to time, between Calloway and SmartCentres and Wal-Mart Canada Realty Inc. respecting future developments on the Acquisition 11 Properties;

"**Development Agreements 12**" means the development agreements, as amended from time to time, between Calloway and SmartCentres and Wal-Mart Canada Realty Inc. respecting future developments on the Acquisition 12 Properties;

"**Distribution Date**" means, with respect to a distribution by Calloway, a Business Day determined by the Trustees for any calendar month to be on or about the 15th day of the following month;

"**Distribution Reinvestment Plan**" means the distribution reinvestment plan adopted by the Trustees;

"**Earnouts**" has the meaning attributed thereto under the section of this annual information form entitled "Overview and Strategic Direction – Developments, Earnouts and Mezzanine Financing";

"**Exchange Agreement 5**" means the exchange, option and support agreement, as amended from time to time, between Calloway and the vendors of the Acquisition 5 Properties respecting, among other matters, future developments on the Acquisition 5 Properties and the exchange of the LP Class B Series 1 Units for Units;

"**Exchange Agreement 7**" means the exchange, option and support agreement, as amended from time to time, between Calloway and the vendors of the Acquisition 7 Properties respecting, among other matters, future developments on the Acquisition 7 Properties and the exchange of the LP Class B Series 2 Units and LP Class D Series 2 Units for Units;

"**Exchange Agreement 8**" means the option agreement, as amended from time to time, between Calloway and the vendors of the Acquisition 8 Properties respecting, among other matters, future developments on the Acquisition 8 Properties and the exchange of development options for Units;

"**Exchange Agreement 9**" means the exchange and support agreement, as amended from time to time, between Calloway and the vendors of the Acquisition 9 Properties respecting, among other matters, future developments on the Acquisition 9 Properties and the exchange of development options for Units;

"**Exchange Agreement 11**" means the exchange and support agreement, as amended from time to time, between Calloway and the vendors of the Acquisition 11 Properties respecting, among other matters, future developments on the Acquisition 11 Properties and the exchange of LP III Class B Units for Units;

"**Exchange Agreement 12**" means the exchange and support agreement, as amended from time to time, between Calloway and the vendors of the Acquisition 12 Properties respecting, among other matters, future developments on the Acquisition 12 Properties and the exchange of LP III Class B Units for Units;

"**Exchange Agreements**" means, collectively, the Exchange Agreement 5, Exchange Agreement 7, Exchange Agreement 8, Exchange Agreement 9, Exchange Agreement 11 and the Exchange Agreement 12;

"**Exchangeable Securities**" means any securities of any trust, limited partnership or corporation other than Calloway that are convertible or exchangeable directly for Units without the payment of additional consideration therefore;

"**Existing Trust**" has the meaning attributed thereto under the section of this annual information form entitled "Risk Factors – Risks Relating to the Units – Tax Related Risk Factors – SIFT Rules";

"**Existing Trust Exception**" has the meaning attributed thereto under the section of this annual information form entitled "Risk Factors – Risks Relating to the Units – Tax Related Risk Factors – SIFT Rules";

"**Fair Market Value**" means at any time, at the option of the Trustees either: (i) the fair market value assets of Calloway at such time, as determined by the Trustees; or (ii) the fair market value of Calloway calculated as the aggregate outstanding indebtedness of Calloway at such time plus the value obtained when the aggregate number of Units and Exchangeable Securities outstanding at such time is multiplied by the weighted average trading price of the Units on the Toronto Stock Exchange, or such other exchange upon which the Units may be listed for trading, for the ten trading days immediately preceding such time;

"**GAAP**" means Canadian generally accepted accounting principles;

"**Government of Canada Yield**" on any date means the yield to maturity on such date, compounded semi-annually and calculated in accordance with generally accepted financial practice, which a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the remaining term to maturity of the Debentures, calculated as of the redemption date of the Debentures, such yield to maturity being the average of the yields provided by two major Canadian investment dealers selected by Calloway.

"**Gross Book Value**" means, at any time, the consolidated book value of the assets of Calloway, as shown on its then most recent consolidated balance sheet, plus the amount of accumulated amortization for buildings, tenant improvements, equipment, in place lease values, below and above market leases, and tenant relationship values shown thereon;

"**Growth Guidelines**" has the meaning attributed thereto under the section of this annual information form entitled "Risk Factors – Risks Relating to the Units – Tax Related Risk Factors – SIFT Rules";

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

"**Investment Committee**" has the meaning attributed thereto under the section of this annual information form entitled "Declaration of Trust and Description of Units – Committees of Trustees – Investment Committee";

"**Licence Agreement**" has the meaning attributed thereto under the section of this annual information form entitled "Calloway Real Estate Investment Trust – Additional Agreements with SmartCentres";

"**LP Class A Units**" means the Class A limited partnership units of Calloway LP;

"**LP Class B Series 1 Units**" means the Class B Series 1 limited partnership units of Calloway LP;

"**LP Class B Series 2 Units**" means the Class B Series 2 limited partnership units of Calloway LP;

"**LP Class B Series 3 Units**" means the Class B Series 3 limited partnership units of Calloway LP;

"**LP Class C Series 1 Units**" means the Class C Series 1 limited partnership units of Calloway LP;

"**LP Class C Series 2 Units**" means the Class C Series 2 limited partnership units of Calloway LP;

"**LP Class C Series 3 Units**" means the Class C Series 3 limited partnership units of Calloway LP;

"**LP Class D Series 1 Units**" means the Class D Series 1 limited partnership units of Calloway LP;

"**LP Class D Series 2 Units**" means the Class D Series 2 limited partnership units of Calloway LP;

"**LP Class E Series 1 Units**" means the Class E Series 1 limited partnership units of Calloway LP;

"**LP Class E Series 2 Units**" means the Class E Series 2 limited partnership units of Calloway LP;

"**LP Class F Series 3 Units**" means the Class F Series 3 limited partnership units of Calloway LP;

"**LP II Class A Units**" means the Class A limited partnership units of Calloway LP II;

"**LP II Class B Units**" means the Class B limited partnership units of Calloway LP II;

"**LP III Class A Units**" means the Class A limited partnership units of Calloway LP III;

"**LP III Class B Units**" means the Class B limited partnership units of Calloway LP III;

"**LP III Class B Series 5 Units**" means the Class B Series 5 limited partnership units of Calloway LP III;

"**LP III Class C Units**" means the Class C limited partnership units of Calloway LP III;

"**LP III Class C Series 5 Units**" means the Class C Series 5 limited partnership units of Calloway LP III;

"**Market Capitalization**" has the meaning attributed thereto under the section of this annual information form entitled "Risk Factors – Risks Relating to the Units – Tax Related Risk Factors – SIFT Rules";

"**Market Price**" has the meaning attributed thereto under the section of this annual information form entitled "Declaration of Trust and Description of Units – Dividend Reinvestment Plan";

"**Mezzanine Financing**" has the meaning attributed thereto under the section of this annual information form entitled "Overview and Strategic Direction – Developments, Earnouts and Mezzanine Financing";

"**non-portfolio properties**" has the meaning attributed thereto under the section of this annual information form entitled "Risk Factors – Risks Relating to the Units – Tax Related Risk Factors – SIFT Rules";

"**Non-Resident**" means any person that is neither a Resident Canadian nor a Canadian partnership for the purposes of the *Income Tax Act* (Canada);

"**Outside Trustee**" means a Trustee that is not a member of management of Calloway or any of its subsidiaries;

"**Partnership**" means the Wal-Mart-FirstPro Realty Partnership;

"**Partnership II**" means the Wal-Mart-FirstPro Realty Partnership II;

"**Person**" means any individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government, regulatory authority or other entity;

"**Plans**" means trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans under the Tax Act;

"**Property Portfolio**" means, collectively, the retail and industrial rental properties owned by Calloway and its subsidiaries;

"**Real Property**" means property which in law is real property and includes, whether or not the same would in law be real property, leaseholds, mortgages, undivided joint interests in real property (whether by way of tenancy-in-common, joint tenancy, co ownership, joint venture or otherwise), any interests in any of the foregoing and securities of corporations, trusts, limited partnerships or other legal entities whose sole or principal purpose and activity is to invest in, hold and deal in real property;

"**REIT**" means real estate investment trust;

"**REIT Exception**" has the meaning attributed thereto under the section of this annual information form entitled "Risk Factors – Risks Relating to the Units – Tax Related Risk Factors – SIFT Rules";

"**Redemption Date**" has the meaning attributed thereto under the section of this annual information form entitled "Declaration of Trust and Description of Units – Redemption Right";

"**Redemption Price**" has the meaning attributed thereto under the section of this annual information form entitled "Declaration of Trust and Description of Units – Redemption Right";

"**Resident Canadian**" means an individual who is a resident of Canada for purposes of the Tax Act;

"**Retrocom**" means Retrocom Mid-Market Real Estate Investment Trust;

"**Series A 4.51% Debentures**" means the Series A senior unsecured debentures of Calloway originally due September 22, 2010 that bore interest at an annual rate of 4.51% per annum;

"**Series B 5.37% Debentures**" means the Series B senior unsecured debentures of Calloway due October 12, 2016 bearing interest at an annual rate of 5.37% per annum;

"**Series C 10.25% Debentures**" means the Series C senior unsecured debentures of Calloway originally due April 14, 2014 that bore interest at an annual rate of 10.25% per annum;

"**Series D 7.95% Debentures**" means the Series D senior unsecured debentures of Calloway due June 30, 2014 bearing interest at an annual rate of 7.95% per annum;

"**Series E 5.10% Debentures**" means the Series E senior unsecured debentures of Calloway due June 4, 2015 bearing interest at an annual rate of 5.10% per annum;

"**Series F 5.00% Debentures**" means the Series F senior unsecured debentures of Calloway due February 1, 2019 bearing interest at an annual rate of 5.00% per annum;

"**Series G 4.70% Debentures**" means the Series G senior unsecured debentures of Calloway due August 22, 2018 bearing interest at an annual rate of 4.70% per annum;

"**SIFT**" has the meaning attributed thereto under the section of this annual information form entitled "Risk Factors – Risks Relating to the Units – Tax Related Risk Factors – SIFT Rules";

"**SIFT Rules**" has the meaning attributed thereto under the section of this annual information form entitled "Risk Factors – Risks Relating to the Units – Tax Related Risk Factors – SIFT Rules";

"**SmartCentres**" means, collectively, Mitchell Goldhar, the SmartCentres Shopping Centres group of companies and related and affiliated parties;

"**Special Unitholders**" means the holders from time to time of Special Voting Units;

"**Special Voting Unit**" means a special voting unit of Calloway which may be issued by Calloway from time to time which shall entitle the holder of an Exchangeable Security to such number of votes at meetings of Unitholders as is equal to the number of Units into which such Exchangeable Security (other than an Exchangeable Security owned by Calloway or any subsidiary of Calloway) is then exchangeable or convertible for, provided that the number of Special Voting Units issued to SmartCentres may be increased in certain circumstances. See "Declaration of Trust and Description of Units – Special Voting Units";

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended;

"**Transfer Agent**" means Computershare Trust Company of Canada at its principal offices in Toronto, Ontario and Calgary, Alberta;

"**Transfer Date**" has the meaning attributed thereto under the section of this annual information form entitled "Declaration of Trust and Description of Units – Redemption Right";

"**Trust Indenture**" means the trust indenture, made as of September 22, 2005, between Calloway and the Debenture Trustee;

"**Trustees**" means the trustees from time to time of Calloway;

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

"**Undue Expansion Rule**" has the meaning attributed thereto under the section of this annual information form entitled "Risk Factors – Risks Relating to the Units – Tax Related Risk Factors – SIFT Rules";

"**Unit**" means a trust unit of Calloway, each such unit representing an equal undivided beneficial interest therein;

"**Unitholders**" means the holders from time to time of Units;

"**Voting Units**" means collectively, the Units and Special Voting Units;

"**Voting Unitholders**" means collectively, the holders from time to time of Units and the holders from time to time of Special Voting Units; and

"**Wal-Mart"** means Wal-Mart Canada Corporation.

In this annual information form, a person or company is considered to be an "**affiliate**" of another person or company if one is a subsidiary of the other, or if both are subsidiaries of the same person or company, or if each of them is controlled by the same person or company.

In this annual information form, the term "**associate**", when used to indicate a relationship with a person or company, means:

(a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling the person or company to more than 10% of the voting rights attached to outstanding securities of the issuer;

(b) any partner of the person or company;

(c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity;

(d) in the case of a person, a relative of that person, including:

(i) the spouse or adult interdependent partner of that person; or

(ii) a relative of the person's spouse or adult interdependent partner if the relative has the same home as that person;

In this annual information form, a person or company is considered to be "**controlled**" by a person or company if:

(a) in the case of a person or company:

(i) voting securities of the first-mentioned person or company carrying more than 50 percent of the votes for the election of directors or trustees are held, otherwise than by way of security only, by or for the benefit of the other person or company, and

(ii) the votes carried by the securities are entitled, if exercised, to elect a majority of the directors or trustees of the first-mentioned person or company;

(b) in the case of a partnership that does not have directors, other than a limited partnership, the second-mentioned person or company holds more than 50 percent of the interests in the partnership; or

(c) in the case of a limited partnership, the general partner is the second-mentioned person or company.

In this annual information form, a person or company is considered to be a "subsidiary" of another person or company if:

(a) it is controlled by:

(i) that other, or

(ii) that other and one or more persons or companies each of which is controlled by that other, or

(iii) two or more persons or companies, each of which is controlled by that other; or

(b) it is a subsidiary of a person or company that is the other's subsidiary.

Unless the context otherwise requires, any reference in this annual information form to any agreement, instrument, indenture, declaration or other document shall mean such agreement, instrument, indenture or other document, as amended, supplemented and restated at any time and from time to time prior to the date hereof or in the future.

Words importing the singular number only include the plural and vice versa and words importing any gender include all genders.

All dollar amounts set forth in this annual information form are in Canadian dollars, except where otherwise indicated.

INFORMATION

Unless otherwise specified, information in this annual information form is presented as at December 31, 2011, being the last day of the most recently completed financial year of Calloway.

Unless otherwise specified, all references to "dollars" or "$" are to Canadian dollars.

FORWARD LOOKING STATEMENTS

Certain statements in this annual information form are "forward looking statements" that reflect management's expectations regarding Calloway's future growth, results of operations, performance and business prospects and opportunities. More specifically, certain statements contained in this annual information form in the sections "Calloway Real Estate Investment Trust – Vision and Strategy", "Access to Development Projects" and "Risk Factors" regarding Calloway's ability to continue to execute its growth strategy, make additional accretive acquisitions, build a geographically diversified portfolio and obtain additional debt or equity financing are forward looking statements. Also, statements that contain words such as "could", "should", "would", "can", "anticipate", "expect", "does not expect", "believe", "plan", "budget", "schedule", "estimate", "intend", "project", "will", "may", "might" and similar expressions or statements relating to matters that are not historical facts constitute forward looking statements. Such forward looking statements reflect management's current beliefs and are based on information currently available to management. These forward looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements including, but not limited to, risks associated with real property ownership, debt financing, interest and financing, capital requirements, credit risk, general uninsured losses, developments, future property acquisitions, competition for real property investments, environmental matters, land leases, potential conflicts of interest, governmental regulations and taxation and reliance on key personnel. These risks, and others, are more fully discussed under the "Risk Factors" section of this annual information form. Calloway has attempted to identify important factors that could cause actual results, performance or achievements to be other than as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. These factors are not intended to represent a complete list of the factors that could affect Calloway. Although the forward looking statements contained in this annual information form are based upon what management believes to be reasonable assumptions, Calloway cannot assure investors that actual results will be consistent with these forward looking statements. For example, certain of these statements are made on the assumption that Calloway will be able to obtain new and replacement debt or equity financing on acceptable terms in order to fund certain of its capital requirements and on the expectation that Wal-Mart will continue to be the dominant anchor tenant in the portfolio and that its presence will continue to attract other retailers and consumers (see "Risk Factors – Risks Relating to the Business – Interest and Financing Risk", "Risk Factors – Risks Relating to the Business – Liquidity Risk", "Risk Factors – Risks Relating to the Business – Capital Requirements" and "Risk Factors – Risks Relating to the Business – Credit Risk"). The forward looking statements contained herein are expressly qualified in their entirely by this cautionary statement and readers should not place under reliance on such forward looking statements. These forward looking statements are made as at the date of this annual information form and Calloway assumes no obligation to update or revise them to reflect new events or circumstances unless otherwise required by applicable securities legislation.

NON-GAAP MEASURES

In this annual information form, there are references to "Adjusted Funds From Operations". See the definition of "**Adjusted Funds From Operations**" in the "Glossary".

Adjusted Funds From Operations is a measure sometimes used by Canadian real estate investment trusts as an indicator of financial performance. Management uses Adjusted Funds From Operations to analyze operating performance. As one of the factors that may be considered relevant by prospective investors is the cash distributed by Calloway relative to the price of the Units, management believes Adjusted Funds From Operations of Calloway is a useful supplemental measure that may assist prospective investors in assessing an investment in Units. Calloway considers Adjusted Funds From Operations to be a meaningful additional measure of cash flow performance as it more clearly measures normalized and stabilized cash flow as opposed to cash flow from operating activities calculated in accordance with GAAP which reflects seasonal fluctuations in working capital and other items.

Calloway analyzes its cash distributions against Adjusted Funds From Operations to assess the stability of its monthly cash distributions to its Unitholders.

Adjusted Funds From Operations is not a measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, Adjusted Funds From Operations may not be comparable to similar measures presented by other issuers. Adjusted Funds From Operations is not intended to represent operating profits for the period nor should it be viewed as an alternative to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with GAAP.

CASH DISTRIBUTIONS

A return on an investment in Units is not comparable to the return on an investment in a fixed-income security. The recovery of an investment in Units is at risk, and any anticipated return on an investment in Units is based on many performance assumptions.

Although Calloway intends to make distributions of a significant percentage of its available cash to its Unitholders, these cash distributions are not assured and may be reduced or suspended. The ability of Calloway to make cash distributions and the actual amount distributed will be dependent upon, among other things, the financial performance of the properties in its Property Portfolio, its debt covenants and obligations, its working capital requirements, its future capital requirements and the impact on Calloway of the SIFT Rules. In addition, the market value of the Units may decline for a variety of reasons including if Calloway is unable to meet its cash distribution targets in the future, and that decline may be significant.

It is important for a person making an investment in Units to consider the particular risk factors that may affect both Calloway and the real estate industry in which Calloway operates and which may therefore affect the stability of the cash distributions on the Units. See the section of this annual information form entitled “Risk Factors” which describes Calloway’s assessment of those risk factors, as well as the potential consequences to a Unitholder if a risk should occur. Also see the section of this annual information form entitled “Ratings on Securities”.

The after-tax return from an investment in Units to Unitholders that is subject to Canadian income tax can be made up of both a “return on” and a “return of” capital. That composition may change over time, thus affecting a Unitholder’s after-tax return. Returns on capital are generally taxed as ordinary income, capital gains or dividends in the hands of a Unitholder. Returns of capital are generally tax-deferred (and reduce the Unitholder’s cost base in the Unit for tax purposes). Distributions of income and returns of capital to a Unitholder who is not resident in Canada for purposes of the Tax Act or is a partnership that is not a “Canadian partnership” for purposes of the Tax Act may be subject to Canadian withholding tax. Unitholders should consult their own tax advisors with respect to the Canadian income tax considerations in their own circumstances.

RATINGS ON SECURITIES

DBRS provides credit ratings of debt securities for commercial entities. Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities and generally provide an indication of the risk that the borrower will not fulfill its full obligations in a timely manner with respect to both interest and principal commitments. Rating categories range from highest credit quality (generally AAA) to very highly speculative (generally C). DBRS has provided Calloway with a credit rating of BBB with a stable trend relating to all senior unsecured obligations of Calloway including the Series B 5.37% Debentures, the Series D 7.95% Debentures, the Series E 5.10% Debentures, the 5.00% Series F Debentures and the 4.70% Series G Debentures. A credit rating of BBB is generally an indication of adequate credit quality as defined by DBRS.

DBRS also provides stability ratings for REITs and income trusts. A stability rating generally provides an indication of both the stability and sustainability of the distributions to unitholders by the rated entity. DBRS’s rating categories range from highest stability and sustainability of distributions per unit (STA-1) to poor stability and sustainability of distributions per unit (STA-7). The assignment of a “(high)”, “(middle)” or “(low)” modifier within each rating category indicates relative standing within such category. DBRS has provided Calloway with a stability rating of STA-3 (high), the third highest ranking within the classification system. This rating category reflects good stability and sustainability of distributions per unit, but performance may be more sensitive to economic factors, have greater cyclical tendencies, and may not be as well diversified as a higher ranking income fund, resulting in some potential for distributions per unit to fluctuate.

DBRS has not provided a credit rating on the 5.75% Convertible Debentures or the 6.65% Convertible Debentures.

The ratings accorded to Calloway are not recommendations to purchase, hold or sell Calloway's securities inasmuch as such ratings do not comment as to market price or suitability for a particular investor. There can be no assurance that any rating will remain in effect for any given period of time or that any rating will not be withdrawn or revised by a rating agency at any time. Real or anticipated changes in the ratings on Calloway's securities may affect the market value of such securities.

CORPORATE STRUCTURE

Declaration of Trust

Calloway is an unincorporated "open-end" trust constituted in accordance with the laws of the Province of Alberta pursuant to the Declaration of Trust. Calloway is focused on the ownership and development of high quality retail properties. The principal and head office of Calloway is located at 700 Applewood Crescent, Suite 200, Vaughan, Ontario L4K 5X3.

Calloway was initially settled pursuant to the Declaration of Trust on December 4, 2001 and is now subsisting under the sixth amended and restated Declaration of Trust, dated September 14, 2009.

In order to allow Calloway to conform to IFRS in respect of the preparation of its financial statements, Calloway adopted the current Declaration of Trust which removed the obligation of the Trustees to pay or declare payable each taxation year an amount equal to such amount as is necessary to ensure that Calloway will not be subject to tax on its net income and net capital gains under Part I of the Tax Act. In addition, the amended and restated Declaration of Trust changed the term of Calloway and the mechanics for termination of Calloway to simplify same and conform these provisions to the provisions relating to term and termination contained in the declarations of trust of other real estate investment trusts.

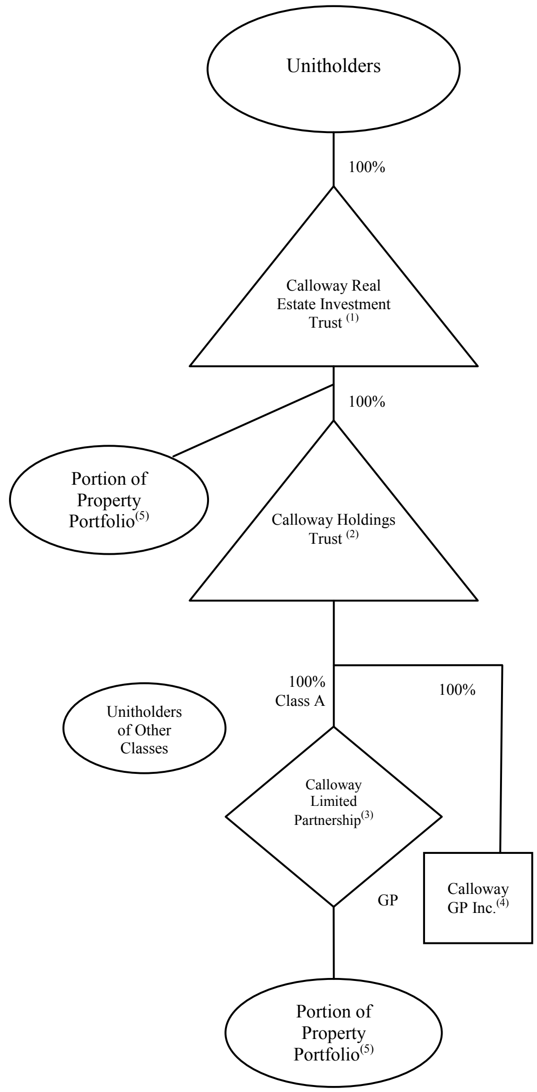
In addition to the amendments to the Declaration of Trust referred to in the foregoing paragraph, at the meetings of Unitholders held on May 7, 2009 and May 19, 2011, the Unitholders gave the Trustees the authority to make such further amendments to the Declaration of Trust that the Trustees determine to be necessary or desirable in order to facilitate changing Calloway from an open-end mutual fund trust to a closed-end mutual fund trust, in each case as per the Tax Act, including but not limited to the elimination of the redemption features attached to the Units. The Trustees have not yet implemented such amendments.

Although Calloway is a "mutual fund trust" as defined in the Tax Act, Calloway is not a "mutual fund" and is not subject to the requirements of Canadian mutual fund policies and regulations under Canadian securities legislation.

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

Structure of Calloway

The following diagram illustrates the simplified organizational structure of Calloway (excluding subsidiaries the total assets or revenues of which collectively do not exceed 20%, and individually do not exceed 10%, of the assets or revenues, as applicable, of Calloway and its subsidiaries considered on a consolidated basis):



Notes:

(1) Calloway Real Estate Investment Trust is an unincorporated open-end real estate investment trust governed by the laws of the Province of Alberta.

(2) Calloway Holdings Trust is an unincorporated open-end trust governed by the laws of the Province of Alberta.

(3) Calloway Limited Partnership is a limited partnership created pursuant to the laws of the Province of Alberta.

(4) Calloway GP Inc. is a corporation created under the laws of the Province of Alberta.

(5) Freehold and leasehold title to the assets in the Property Portfolio is held by a variety of nominee companies, all of which are controlled by Calloway (including its subsidiaries). These nominees do not conduct any business other than the holding of legal title to the assets for the benefit of Calloway (including its subsidiaries).

General Development of the Business

2009

On January 29, 2009, Calloway entered into a senior secured revolving credit facility agreement for $105,000,000. This facility bore interest at a variable rate based on (i) bank prime plus 1.75% for the first six months and bank prime plus 2.00% for the last six months or (ii) bankers' acceptance rate plus 2.75% for the first six months and bankers' acceptance rate plus 3.00% for the last six months, was secured by first charges over specific income properties and a first general assignment of leases and insurance. This facility matured on January 29, 2010 with an option to extend for a further six months. The option to renew was not exercised as Calloway no longer required this operating facility.

During the year, Calloway negotiated a new operating facility to replace two existing operating facilities of $100,000,000 and $160,000,000. This revolving operating facility totalling $160,000,000 bore interest at a variable interest rate based on prime plus 2.25% or the bankers' acceptance rate plus 3.25%, was secured by first charges over specific income properties and first general assignments of leases and insurance and was renewed in August 2011 until September 30, 2014.

In January 2009, Calloway and SmartCentres agreed in principle to amend certain development management agreements pertaining to the earn-outs on 11 properties that had a floating capitalization rate determined by reference to the ten-year Government of Canada bond rate. The agreements are to be amended to include a fixed floor capitalization rate ranging from 6.10% to 7.50%. If a definitive agreement was not reached between Calloway and SmartCentres, additional proceeds of approximately $13,200,000 would be payable to SmartCentres on earnouts that closed as of December 31, 2010. As of the date of this Annual Information Form, negotiations are ongoing with SmartCentres.

On April 13, 2009, Calloway issued $150,000,000 aggregate principal amount of the Series C 10.25% Debentures. Calloway used the net proceeds of the offering, plus other funds from its operating credit facilities, to repurchase approximately $153,500,000 principal amount of the outstanding Series A 4.51% Debentures. The offering was made under the 2007 Shelf Prospectus and a supplement to that prospectus dated April 8, 2009.

On April 30, 2009, Calloway completed the acquisition from SmartCentres of a 50% co-ownership interest in an 86.6-acre development property in Innisfil, Ontario for a purchase price totalling $14,285,000 which was paid with proceeds received from an existing mortgage receivable of $14,075,000, adjusted for other working capital amounts.

On June 30, 2009, Calloway issued $75,000,000 aggregate principal amount of the Series D 7.95% Debentures. The offering was made under the 2007 Shelf Prospectus and a supplement to that prospectus dated June 19, 2009.

On August 25, 2009, Calloway issued 3,226,000 Units at a price of $15.50 per Unit for gross proceeds of $50,003,000. The offering was made under the 2007 Shelf Prospectus and a supplement to that prospectus dated August 17, 2009.

On August 31, 2009, Calloway completed the acquisition from SmartCentres of a 50% leasehold interest in an income property (272,595 square feet) in Richmond Hill, Ontario for $40,814,000 pursuant to an existing agreement signed in 2007. The purchase price was satisfied by the proceeds received from an existing mortgage receivable of $20,756,000, the assumption of an existing first mortgage totalling $17,917,000 and the balance in cash, adjusted for other working capital amounts.

During 2009, pursuant to the Development Agreements, Calloway completed the purchase of additional developed space totalling 640,814 square feet from SmartCentres and others for $140,496,000. The purchase price was satisfied through the issuance of 32,489 Units and an aggregate of 19,930 LP Class B Series 1 Units and LP Class B Series 3 Units for combined consideration of $937,000 and the balance in cash, adjusted for other working capital amounts.

As at December 31, 2009 mortgages receivables totalling $132,425,000 had been provided pursuant to agreements with SmartCentres and certain other affiliates, and mortgages receivables totalling $40,985,000 had been provided to other unrelated parties, where Calloway agreed to lend a total of $280,135,000 for the purpose of acquiring and developing 13 additional properties. These loans bore interest at rates ranging from 6.35% to 10.00% and were secured by first, second or third charges on property, assignments of rents and leases and general security agreements. During 2009, $23,853,000 was funded, offset by repayments of $71,863,000.

During the year, Calloway received $265.8 million in new mortgages with an average term of 4.6 years and weighted average interest rate of 5.9%.

2010

On January 5, 2010, Calloway issued (i) $60,000,000 aggregate principal amount of the 5.75% Convertible Debentures and (ii) 2,100,000 Units at a price of $19.05 per Unit for gross proceeds of $40,005,000. The offering was made under the 2009 Shelf Prospectus and a supplement to that prospectus dated December 18, 2009.

On June 4, 2010, Calloway issued $100,000,000 aggregate principal amount of the Series E 5.10% Debentures. The offering was made under the 2009 Shelf Prospectus and a supplement to that prospectus dated June 2, 2010.

On June 10, 2010, Calloway entered into an equity distribution agreement with Canaccord Genuity Corp., which will act as Calloway's exclusive agent for the issuance and sale, from time to time, until November 8, 2011, of up to 5,000,000 Units by way of at-the-market distributions. The timing of any sale of Units and the number of Units actually sold during such period are at the discretion of Calloway. Sales of Units, if any, pursuant to the equity distribution agreement will be made in transactions that are deemed to be at-the-market distributions, including sales made directly on the Toronto Stock Exchange. The Units will be distributed at market prices prevailing at the time of sale of such Units and, as a result, prices may vary between purchasers and during the period of distribution. During 2010, Calloway issued 74,100 Units pursuant to at-the-market distributions at an average price per Unit of $21.82 (rounded to the nearest cent) for gross proceeds of $1,616,891.

On July 7, 2010, Calloway used a portion of the net proceeds from the June 4, 2010 debt offering for the repurchase of the balance of the outstanding Series A 4.51% Debentures and for the repurchase of the balance of the outstanding 6% Convertible Debentures.

On August 5, 2010, Calloway issued 6,900,000 Units at a price of $21.60 per Unit for gross proceeds of $149,040,000. The offering was made under Calloway's base shelf prospectus dated October 9, 2009 qualifying the issue of up to $2,000,000,000 in debt or equity securities and a supplement to that prospectus dated July 28, 2010.

On September 13, 2010, Calloway completed the acquisition of the Acquisition 11 Properties from a joint venture between SmartCentres and Wal-Mart Canada Realty Inc. As at the closing date, the two properties comprised approximately 731,433 net square feet of leased area, and included lands with potential for future development of approximately 415,238 net square feet. The purchase price of the properties was approximately $130,108,000 adjusted for costs of acquisition and working capital amounts. The purchase price was satisfied by the issuance of 480,000 exchangeable LP III Class B Series 3 Units with a value of $11,093,000 to SmartCentres, the issuance of 1,000,000 exchangeable LP III Class C Series 3 Units to SmartCentres, and the balance in cash. The LP III Class B Series 3 Units were valued at a price of $23.11 per unit, which was the approximate fair market value of Units on the date the substantive terms of the acquisition were agreed upon and announced. LP III Class C Series 3 Units were valued at their estimated fair market value of $nil based on an exercise price equivalent to the market price of the Units at the time of the earn-out event. In connection with the closing of the acquisition of the Acquisition 11 Properties, Calloway entered into management, development agreements and exchange and support agreements with SmartCentres with respect to future developments on such properties. See "Access to Development Projects – The Acquisition 11 Properties".

On September 30, 2010, Calloway issued 4,738,000 Units at a price of $24.30 per Unit for gross proceeds of $115,133,400. The offering was made under the 2009 Shelf Prospectus and a supplement to that prospectus dated September 24, 2010.

On October 1, 2010, Calloway issued $100,000,000 Series F 5.00% Debentures. The offering was made under the 2009 Shelf Prospectus and a supplement to that prospectus dated September 24, 2010.

On October 25, 2010, Calloway used a portion of the aggregate net proceeds from the September 30, 2010 equity offering and the October 1, 2010 debt offering for the repurchase of 100% of the outstanding Series C 10.25% Debentures.

On November 23, 2010, Calloway completed the acquisition of a 50% co-ownership interest in an 18.47 acre development property in Toronto, Ontario, for a purchase price totaling $25.9 million, which was paid with proceeds received from an existing mortgage receivable of $22.7 million, and the balance paid in cash, adjusted for other working capital amounts.

During 2010, pursuant to the Development Agreements, Calloway completed the purchase of additional developed space totalling 448,413 square feet from SmartCentres and others for $125,913,000. The purchase price was satisfied through the issuance of 414,136 Units and an aggregate of 14,823 LP Class B Series 1 Units and LP Class B Series 3 Units for combined consideration of $7,354,000 and the balance in cash, adjusted for other working capital amounts.

As at December 31, 2010 mortgages receivables totalling $149,014,000 had been provided pursuant to agreements with SmartCentres and certain other affiliates, and mortgages receivables totalling $22,422,000 had been provided to other unrelated parties, where Calloway agreed to lend a total of $256,135,000 for the purpose of acquiring and developing 13 additional properties. These loans bore interest at rates ranging from banker's acceptance rates plus 1.75% to 7.75% and were secured by first, second or third charges on property, assignments of rents and leases and general security agreements. During 2010, $23,335,000 was funded, offset by repayments of $25,309,000.

2011

On March 15, 2011, Calloway announced that it will be developing its first upscale outlet mall in Canada, located at Highway 401 and Trafalgar Road in the town of Halton Hills, Ontario. Calloway expects that construction will commence in the spring of 2012 for opening of the first phase in 2012. The total investment by Calloway in this 500,000-sq.ft development will be approximately $200 million.

On March 30, 2011, Calloway announced the appointment of Al Mawani, as President and Chief Executive Officer, effective May 2, 2011, to succeed Simon Nyilassy, formerly Calloway's President and Chief Executive Officer. Al Mawani agreed to continue serving as a Trustee. Simon Nyilassy subsequently resigned as Trustee on August 12, 2011.

Calloway also announced the appointment of Huw Thomas and Gillian Denham as independent members of the Board of Trustees, effective April 1, 2011, to fill vacancies resulting from the resignations of David Calnan and Michael Storey.

On April 21, 2011, Calloway issued 4,600,000 Units at a price of $25.15 per Unit for gross proceeds of $115,690,000. The offering was made under the 2009 Shelf Prospectus and a supplement to that prospectus dated April 15, 2011.

On May 6, 2011, Calloway completed the sale of four investment properties to Retrocom totalling 226,016 square feet for the selling price of $41,620,000. The purchaser assumed mortgages totalling $12,879,000, resulting in net proceeds of $28,741,000. Mitchell Goldhar has a significant interest in Retrocom.

In August 2011, Calloway renewed its operating facility, which was set to expire on September 30, 2011, for $160,000,000 with an additional $40,000,000 option (which has not been exercised) for a three-year term at a variable interest rate based on bank prime plus 0.65% or bankers' acceptance rate plus 1.65%. The revolving operating facility expires on September 30, 2014. Calloway also closed a new, one-year, $35,000,000 unsecured facility with the same interest rate, expiring on August 3, 2012.

In August 2011, Calloway also completed the acquisition of the Acquisition 12 Properties from a joint venture between SmartCentres and Wal-Mart Canada Realty Inc. As at the closing date, the three properties comprised approximately 580,300 net square feet of leased area, and included lands with potential for future development of approximately 245,039 net square feet. The purchase price of the properties was approximately $140,720,000 adjusted for costs of acquisition and working capital amounts. The purchase price was satisfied by the issuance of 72,000 exchangeable LP III Class B Series 5 Units with a value of $1,739,000 to SmartCentres, the issuance of 1,243,000 exchangeable LP III Class C Series 5 Units to SmartCentres, and the balance in cash. The LP III Class B Series 5 Units were valued at a price of $24.15 per unit, which was the approximate fair market value of Units on the date the substantive terms of the acquisition were agreed upon and announced. LP III Class C Series 5 Units were valued at their estimated fair market value of $nil based on an exercise price equivalent to the market price of the Units at the time of the earn-out event. In connection with the closing of the acquisition of the Acquisition 12 Properties, Calloway entered into management, development agreements and exchange and support agreements with SmartCentres with respect to future developments on such properties. See "Access to Development Projects – The Acquisition 12 Properties".

On August 22, 2011, Calloway issued $90,000,000 Series G 4.70% Debentures. The offering was made under the 2009 Shelf Prospectus and a supplement to that prospectus dated August 17, 2011.

In September 2011, Calloway entered into an agreement with Target Corporation to convert two of four locations that are currently housed as Zeller's locations into full-line Target stores. The conversion is scheduled to commence during 2012 with store openings scheduled for the summer of 2013. The stores are located at Hopedale Mall in Oakville, Ontario and in the Laurentian Power Centre in Kitchener, Ontario.

On December 5, 2011, Calloway entered into an equity distribution agreement with Canaccord Genuity Corp., which will act as Calloway's exclusive agent for the issuance and sale, from time to time, until November 30, 2013, of up to 2,000,000 Units by way of at-the-market distributions. The timing of any sale of Units and the number of Units actually sold during such period are at the discretion of Calloway. Sales of Units, if any, pursuant to the equity distribution agreement will be made in transactions that are deemed to be at-the-market distributions, including sales made directly on the Toronto Stock Exchange. The Units will be distributed at market prices prevailing at the time of sale of such Units and, as a result, prices may vary between purchasers and during the period of distribution. During 2011, Calloway issued nil Units pursuant to at-the-market distributions.

On December 9, 2011, Calloway issued 3,700,000 Units at a price of $27.05 per Unit for gross proceeds of $100,085,000. The offering was made under the 2011 Shelf Prospectus and a supplement to that prospectus dated December 2, 2011.

As at December 31, 2011 mortgages receivables totalling $165,385,000 had been provided pursuant to agreements with SmartCentres and certain other affiliates, and mortgages receivables totalling $22,186,000 had been provided to other unrelated parties, where Calloway agreed to lend a total of $256,135,000 for the purpose of acquiring and developing 13 additional properties. These loans bore interest at rates ranging from banker's acceptance rates plus 1.75% to 7.75% and were secured by first, second or third charges on property, assignments of rents and leases and general security agreements. During 2011, $20,256,000 was funded, offset by repayments of $4,121,000.

Amendment to the Exchange Procedure for Certain Exchangeable Securities

Effective January 1, 2011, reporting issuers in Canada such as Calloway were required under applicable Canadian securities legislation to prepare their publicly filed financial statements in accordance with IFRS, which effectively became GAAP for public enterprises. Under IFRS, it was possible that, without certain amendments to the terms thereof including the exchange provisions, the various Exchangeable Securities of Calloway LP, Calloway LP II and Calloway LP III (i.e. the various series of Class B and Class D limited partnership units of Calloway LP, Calloway LP II and Calloway LP III that are convertible or exchangeable directly for Units without the payment of additional consideration therefore) would be considered debt instead of equity (as they are currently classified since they are intended to be the economic equivalent of Units).

Consequently, in order to negate that impact on Calloway's financial statements, Calloway and SmartCentres agreed to amend the exchange provisions relating to certain of the Exchangeable Securities. The exchange procedure for certain of the Exchangeable Securities now provides that Calloway shall have the option (referred to in this paragraph as the "**Calloway Option**"), in lieu of delivering Units to make a cash payment to the holder of certain Exchangeable Securities in an amount equal to the market value of the Units such holder would otherwise be entitled to. The holder of the Exchangeable Securities shall have the right to accept or reject the determination by Calloway to make a cash payment to the holder in lieu of the delivery of Units. In the event that Calloway does not elect to exercise the Calloway Option, or the holder of the Exchangeable Securities rejects the determination by Calloway to pay cash in lieu of the delivery of Units, Calloway shall undertake all necessary and required actions, including of a regulatory nature, in order to effect a conversion from an open-end to a closed-end mutual fund trust (referred to in this paragraph as the "**Conversion Process**"). Such actions shall include, but are not limited to, obtaining the necessary approval from Unitholders and holders of Special Voting Units and obtaining an advanced tax ruling from the Canada Revenue Agency confirming that the conversion from an open-end to a closed-end mutual fund trust does not result in a disposition of Units. The exchange procedure shall be deferred until completion of the Conversion Process. In addition to the completion of the exchange of Exchangeable Securities for Units on the completion of the Conversion Process Calloway may also be required to make a cash payment to the holder on the of Exchangeable Securities in the event that the market value of Units falls over the time required to effect the Conversion Process. The Calloway Option provisions may be terminated by Mitchell Goldhar at any time. Upon receipt of a termination notice, Calloway shall immediately initiate a Conversion Process.

Additional Agreements with SmartCentres

In addition to agreements and contracts with SmartCentres described elsewhere in this annual information form, Calloway has entered into the following agreements with SmartCentres:

(a) A management agreement under which Calloway has agreed to provide to SmartCentres certain limited property management services for a fee equal to 1% of net rental revenues of the managed properties. This management agreement was originally for a one-year term ended December 31, 2007. However, it automatically renews for subsequent one-year terms unless terminated by either SmartCentres or Calloway.

(b) A support services agreement under which SmartCentres has agreed to provide to Calloway certain support services for a fee based on an allocation of the relevant costs of the support services incurred by SmartCentres. This support agreement was originally for a one-year term ended December 31, 2007. However, it automatically renews for subsequent one-year terms unless terminated by either SmartCentres or Calloway. In addition, Calloway rents its office premises from SmartCentres. In 2011, Calloway elected to exercise its option to rent its office premises from SmartCentres for a further five year term.

(c) A construction and leasing services agreement, under which SmartCentres has agreed to provide to Calloway construction management services and leasing services. The construction management services are provided at the discretion of Calloway, with respect to certain of Calloway's properties under development for a fee equal to 4.5% of the construction costs incurred. Fees for leasing services, requested at the discretion of Calloway, are based on various rates, which approximate market rates, depending on the location of the property and the term and nature of the lease. The agreement continues in force until terminated by either SmartCentres or Calloway.

(d) A trade-mark licence agreement and marketing cost sharing agreement (collectively, the "**Licence Agreement**"), under which Calloway has licensed the use of the trademark "SmartCentres" from SmartCentres for a ten-year term ending December 31, 2016. Under the Licence Agreement, Calloway will pay 50% of the costs incurred by SmartCentres in connection with branding and marketing the trademark together with Calloway's proportionate share of signage costs. SmartCentres has the right to terminate the Licence Agreement at any time in the event any third party acquires 20% or more of the aggregate of the outstanding Units and Special Voting Units of Calloway.

Vision and Strategy of Calloway

Calloway's vision is to create exceptional places to shop.

Calloway's purpose is to own and manage dominant shopping centres that provide our retailers a platform to reach their customers through convenient locations, intelligent designs, and a desirable tenant mix.

Calloway's shopping centres focus on value-oriented retailers and include the strongest national and regional names as well as strong neighbourhood merchants. It is expected that Wal-Mart will continue to be the dominant anchor tenant in the portfolio and that its presence will continue to attract other retailers and consumers.

To the extent that opportunities exist, and to the extent that management and the Board of Trustees believe such opportunities are beneficial to Unitholders, Calloway will continue to invest primarily in large format, unenclosed retail rental properties with strong tenant covenants, stable yields, low vacancy levels and growth potential and continue to build a geographically diversified portfolio of such properties.

Calloway's executive management has, in the aggregate, over 80 years of experience in the commercial real estate market, including real estate acquisitions, dispositions, financing and administration, property management, construction and renovation, and marketing. Management's goal is to maximize cash flow and Unit value, while minimizing Unitholder risk. Management undertakes regular reviews of the Property Portfolio and, based on experience and market knowledge, assesses ongoing opportunities for the Property Portfolio. Where appropriate, capital improvement projects, renovations and remarketing initiatives are implemented.

Management is committed to maximizing income from Calloway's properties through sophisticated and prudent financial management. Management intends to optimize the leveraged returns from the Property Portfolio, while remaining within the overall debt limits set by the Declaration of Trust. Subject to the ability to obtain financing on acceptable terms, Calloway intends to utilize fixed rate debt financing with terms that are appropriate for the nature of the leases and the properties being financed. Again subject to the ability to obtain financing on acceptable terms, Calloway intends to stagger debt maturities to reduce refinancing risk and to provide a source of additional capital when refinanced, and make use of operating lines or acquisition facilities to generate interim capital.

Calloway plans to achieve its objectives by employing the following internal and external growth strategies:

Growth Through Acquisitions

Over the long term, to the extent that opportunities exist and to the extent that management and the Board of Trustees believe such opportunities are beneficial to Unitholders, Calloway intends to expand its asset base and increase Adjusted Funds From Operations by pursuing an external growth strategy. Calloway intends to actively seek accretive acquisitions in its existing and adjacent markets and in new Canadian markets that present opportunities for favourable returns.

Throughout the acquisition process, Calloway intends to identify potential property acquisitions using an investment criteria that focuses primarily on return on equity, security of cash flow, potential for capital appreciation and the potential to increase value by more efficient management of the assets being acquired, including accessing capital for expansion and development of those assets, which access might not otherwise be available to competitors and other property owners.

The current economic environment for acquisitions is very competitive; however the cost of capital relative to the return available on acquisitions is such that accretive acquisitions can be negotiated. Calloway will continue to monitor the property and capital markets and explore acquisition opportunities as they arise.

Growth Through Development

Over the long term and to the extent that opportunities exist and to the extent that management and the Board of Trustees believe such opportunities are beneficial to Unitholders, part of Calloway's future growth will be achieved through the acquisition of undeveloped land suitable for the development of rental properties. In response to economic changes, Calloway no longer has in-house development expertise, but has access to the development expertise of SmartCentres and other developers on a fee basis. See "Access to Development Projects".

Growth Through Asset Management

Calloway believes that opportunities exist to increase cash flow of the Property Portfolio through value added asset management and leasing activity. Calloway develops a leasing strategy for each property that reflects the nature of the property, its position within the marketplace, as well as prevailing and forecasted economic conditions. To assist in implementing this strategy, Calloway utilizes and coordinates with the brokerage leasing community and retains appropriate agents on a best-in-class basis for each of the assets. Management expects that this strategy will maximize expansion and renewal opportunities and will involve aggressive, proactive leasing programs.

Calloway recognizes that renewal of existing tenant leases, as opposed to tenant replacement, often provides the best operating results as renewals minimize transaction costs associated with marketing, leasing and tenant improvements and avoids costs of renovation and interruptions in rental income resulting from periods of vacancy. Where existing tenants choose not to renew their lease, Calloway's proactive leasing function is designed to quickly identify replacement tenants at the best available market terms and lowest possible transaction costs.

ACCESS TO DEVELOPMENT PROJECTS

Calloway's relationship with SmartCentres and other developers will assist Calloway in avoiding the hurdles associated with property development, including locating and buying attractive development sites, securing construction financing, obtaining development approvals, marketing and leasing a building in advance of and during construction and earning no return during the construction period.

The Acquisition 1 Properties

Concurrently with the closing of the acquisition of the Acquisition 1 Properties from SmartCentres in October, 2003, Calloway entered into development agreements (the "**Development Agreements 1**") with SmartCentres for the development of additional retail space on the undeveloped lands on each of the Acquisition 1 Properties (the "**Acquisition 1 Undeveloped Lands**"). Pursuant to the Development Agreements 1, SmartCentres assumed responsibility for managing the development of additional retail space on the Acquisition 1 Undeveloped Lands and was granted the right for a period of five years from the date of the acquisition (i.e. until October 31, 2008), subject to SmartCentres' option to extend, which has been exercised, for a further five year term (i.e. until October 31, 2013) (the "**Acquisition 1 Earn-Out Period**"), to earn additional proceeds (the "**Acquisition 1 Earn-Out Proceeds**") from Calloway on the completion and rental of additional space on these lands (an "**Acquisition 1 Earn-Out Event**"). The formula used to calculate the Acquisition 1 Earn-Out Proceeds uses net rents from the new development less proposed management costs divided by a capitalization rate which in all cases exceeds the capitalization rate used to derive the portion of the purchase price allocated to the associated Acquisition 1 Property, with the result that in each instance the acquisition of a new development should be accretive to Calloway. Calloway provides financing for the development costs of the additional developments. Calloway provided a second mortgage on a specific property in the amount of $10,000,000 as security for payment of the additional proceeds.

SmartCentres has the right, at its option, to receive up to 40% of the Acquisition 1 Earn-Out Proceeds for any new developments in Units at purchase prices of $10.00 and $10.50 per Unit (up to approximately 199,475 and 1,800,000 Units, respectively, in aggregate). As at December 31, 2011, SmartCentres has earned $49.5 million in Acquisition 1 Earn-Out Proceeds of which $1.9 million has been paid through the issuance of 186,787 Units at $10.00 per Unit and $14.0 million has been paid through the issuance of 1,336,532 Units at $10.50 per Unit. On the assumption that it will be able to obtain financing on acceptable terms, Calloway expects that it will raise the needed capital to finance the balance of any Acquisition 1 Earn-Out Proceeds by issuing equity, or issuing mortgages secured against its properties, or by way of advances under operating or acquisition facilities.

The Development Agreements 1 include the following terms:

(a) in consideration of a lease by SmartCentres from Calloway of the Acquisition 1 Undeveloped Lands, SmartCentres will pay Calloway an amount equal to 9% per annum, payable monthly, of the aggregate Acquisition 1 Undeveloped Lands value, as reduced from time to time upon the occurrence of Acquisition 1 Earn-Out Events (the "**Acquisition 1 Development Fee**");

(b) Calloway has the option to cause SmartCentres to repurchase any Acquisition 1 Undeveloped Lands (or portion thereof) at the Acquisition 1 Undeveloped Lands value (or portion thereof), to the extent that such Acquisition 1 Undeveloped Lands (or portion thereof) have not been the subject of a Acquisition 1 Earn-Out Event as at the end of the Acquisition 1 Earn-Out Period; and

(c) the obligation of SmartCentres to pay the Acquisition 1 Development Fee and to repurchase any remaining Acquisition 1 Undeveloped Lands at the end of the Acquisition 1 Earn-Out Period is secured by Units owned by SmartCentres and having a value equivalent to the remaining Acquisition 1 Undeveloped Land value from time to time.

The Acquisition 2 Properties

Concurrently with the closing of the acquisition of the Acquisition 2 Properties from the Partnership in February, 2004, Calloway entered into development agreements (the "**Development Agreements 2**") with the Partnership for the development of additional retail space on the undeveloped lands on each of the Acquisition 2 Properties (the "**Acquisition 2 Undeveloped Lands**"). Pursuant to the Development Agreements 2, the Partnership assumed responsibility for managing the development of additional retail space on the Acquisition 2 Undeveloped Lands and was granted the right for a period of five years from the date of the acquisition (i.e. until February 16, 2009), subject to the Partnership's option, which has been exercised, to extend for a further five year term (i.e. until February 16, 2014) (the "**Acquisition 2 Earn-Out Period**"), to earn additional proceeds (the "**Acquisition 2 Earn-Out Proceeds**") from Calloway on the completion and rental of additional space on these lands (an "**Acquisition 2 Earn-Out Event**"). The formula used to calculate the Acquisition 2 Earn-Out Proceeds for any new development uses net rents from the new development divided by a capitalization rate which in all cases exceeds the capitalization rate used to derive the portion of the purchase price allocated to the associated Acquisition 2 Property, with the result that in each instance the acquisition of a new development should be accretive to Calloway. The Partnership provides financing to Calloway for the development costs of the additional developments. Calloway provided a first mortgage, assignment of rents and leases, and a general security agreement on two properties acquired from the Partnership as security for the development loans. As at December 31, 2011, the security referenced above has been discharged.

SmartCentres, as one of the partners of the Partnership, has been provided the right, at its option, to receive up to 40% of the Acquisition 2 Earn-Out Proceeds for any new developments in Units at a purchase price of $14.00 per Unit (up to approximately 1,860,000 Units in aggregate). As at December 31, 2011, SmartCentres has earned $64.3 million in Acquisition 2 Earn-Out Proceeds of which $22.7 million has been paid through the issuance of 1,620,028 Units. On the assumption that it will be able to obtain financing on acceptable terms, Calloway expects that it will raise the needed capital to finance the balance of any Acquisition 2 Earn-Out Proceeds by issuing equity, or issuing mortgages secured against its properties, or by way of advances under operating or acquisition facilities.

The Acquisition 3 Properties

Concurrently with the closing of the acquisition of the Acquisition 3 Properties from the Partnership in May, 2004, Calloway entered into development agreements (the "**Development Agreements 3**") with the Partnership for the development of additional retail space on the undeveloped lands on each of the Acquisition 3 Properties (the "**Acquisition 3 Undeveloped Lands**"). Pursuant to the Development Agreements 3, the Partnership assumed responsibility for managing the development of additional retail space on the Acquisition 3 Undeveloped Lands and was granted the right for a period of five years from the date of the acquisition (i.e. until May 14, 2009), subject to the Partnership's option to extend, which option has been exercised, for a further five year term (i.e. until May 14, 2014) (the "**Acquisition 3 Earn-Out Period**"), to earn additional proceeds (the "**Acquisition 3 Earn-Out Proceeds**") from Calloway on the completion and rental of additional space on these lands (an "**Acquisition 3

Earn-Out Event"). The formula used to calculate the Acquisition 3 Earn-Out Proceeds for any new development uses net rents from the new development divided by a capitalization rate which in all cases exceeds the capitalization rate used to derive the portion of the purchase price allocated to the associated Acquisition 3 Property, with the result that in each instance the acquisition of a new development should be accretive to Calloway. The Partnership provides financing to Calloway for the development costs of the additional developments. Calloway provided a first mortgage, assignment of rents and leases, and a general security agreement on two properties acquired from the Partnership as security for the development loans. As at December 31, 2010, the security referenced above has been discharged.

SmartCentres, as one of the partners of the Partnership, has been provided the right, at its option, to receive up to 40% of the Acquisition 3 Earn-Out Proceeds for any new developments in Units at a purchase price of $15.25 per Unit (not to exceed 1,150,000 Units in aggregate). As at December 31, 2011, SmartCentres has earned $67.1 million in Acquisition 3 Earn-Out Proceeds of which $17.5 million has been paid through the issuance of 1,150,000 Units. On the assumption that it will be able to obtain financing on acceptable terms, Calloway expects that it will raise the needed capital to finance the balance of any Acquisition 3 Earn-Out Proceeds by issuing equity, or issuing mortgages secured against its properties, or by way of advances under operating or acquisition facilities.

The Acquisition 4A Properties

Concurrently with the closing of the acquisition of the Acquisition 4A Properties from the Partnership in November 2004, Calloway entered into development agreements (the "**Development Agreements 4A**") with the Partnership for the development of additional retail space on the undeveloped lands on each of the Acquisition 4A Properties (the "**Acquisition 4A Undeveloped Lands**"). Pursuant to the Development Agreements 4A, the Partnership assumed responsibility for managing the development of additional retail space on the Acquisition 4A Undeveloped Lands and was granted the right for a period of five years from the date of the acquisition (i.e. until November 30, 2009), subject to the Partnership's option, which has been exercised, to extend for a further five year term (i.e. until November 30, 2014) (the "**Acquisition 4A Earn-Out Period**"), to earn additional proceeds (the "**Acquisition 4A Earn-Out Proceeds**") from Calloway on the completion and rental of additional space on these lands (an "**Acquisition 4A Earn-Out Event**"). The formula used to calculate the Acquisition 4A Earn-Out Proceeds for any new development uses net rents from the new development divided by a capitalization rate which in all cases exceeds the capitalization rate used to derive the portion of the purchase price allocated to the associated Acquisition 4A Property, with the result that in each instance the acquisition of a new development should be accretive to Calloway. The Partnership provides financing to Calloway for the development costs of the additional developments. Calloway provided a first mortgage, assignment of rents and leases, and a general security agreement on two properties acquired from the Partnership as security for the development loans. As at December 31, 2010, the security referenced above has been discharged.

SmartCentres, as one of the partners of the Partnership, has been provided the right, at its option, to receive up to 40% of the Acquisition 4A Earn-Out Proceeds for any new developments in Units at a purchase price of $17.80 per Unit (not to exceed 345,000 Units in aggregate). As at December 31, 2011, SmartCentres has earned $36.1 million in Acquisition 4A Earn-Out Proceeds of which $6.0 million has been paid through the issuance of 339,788 Units. On the assumption that it will be able to obtain financing on acceptable terms, Calloway expects that it will raise the needed capital to finance the balance of any Acquisition 4A Earn-Out Proceeds by issuing equity, or issuing mortgages secured against its properties, or by way of advances under operating or acquisition facilities.

The Acquisition 4B Properties

Concurrently with the closing of the acquisition of the Acquisition 4B Properties from the Partnership II in March 2005, Calloway entered into development agreements (the "**Development Agreements 4B**") with the Partnership II for the development of additional retail space on the undeveloped lands on each of the Acquisition 4B Properties (the "**Acquisition 4B Undeveloped Lands**"). Pursuant to the Development Agreements 4B, the Partnership II assumed responsibility for managing the development of additional retail space on the Acquisition 4B Undeveloped Lands and was granted the right for a period of five years from the date of the acquisition (i.e. until March 10, 2010), subject to the Partnership II's option to extend, which has been exercised, for a further five year term (i.e. until March 10, 2015) (the "**Acquisition 4B Earn-Out Period**"), to earn additional proceeds (the "**Acquisition 4B Earn-Out Proceeds**") from Calloway on the completion and rental of additional space on these lands (an

"**Acquisition 4B Earn-Out Event**"). The formula used to calculate the Acquisition 4B Earn-Out Proceeds for any new development uses net rents from the new development divided by a capitalization rate which in all cases exceeds the capitalization rate used to derive the portion of the purchase price allocated to the associated Acquisition 4B Property, with the result that in each instance the acquisition of a new development should be accretive to Calloway. The Partnership II provides financing to Calloway for the development costs of the additional developments. Calloway provided a first mortgage, assignment of rents and leases, and a general security agreement on one property acquired from the Partnership II as security for the development loans. As at December 31, 2010, the security referenced above has been discharged.

SmartCentres, as one of the partners of the Partnership II, has been provided the right, at its option, to receive up to 40% of the Acquisition 4B Earn-Out Proceeds for any new developments in Units at a purchase price of $19.60 per Unit (not to exceed 225,000 Units in aggregate). As at December 31, 2011, SmartCentres has earned $23.1 million in Acquisition 4B Earn-Out Proceeds of which $3.5 million has been paid through the issuance of 178,361 Units. On the assumption that it will be able to obtain financing on acceptable terms, Calloway expects that it will raise the needed capital to finance the balance of any Acquisition 4B Earn-Out Proceeds by issuing equity, or issuing mortgages secured against its properties, or by way of advances under operating or acquisition facilities.

The Acquisition 5 Properties

Concurrently with the closing of the acquisition of the Acquisition 5 Properties from SmartCentres and other vendors in July 2005, Calloway entered into development agreements with SmartCentres and certain of the other vendors for the development of additional retail space on the undeveloped lands on certain of the Acquisition 5 Properties (the "**Acquisition 5 Undeveloped Lands**"). Pursuant to those development agreements, SmartCentres and certain of the other vendors assumed responsibility for managing the development of additional retail space on the Acquisition 5 Undeveloped Lands. At the same time, Calloway entered into an exchange, option and support agreement (the "**Exchange Agreement 5**") with SmartCentres and certain of the other vendors of the Acquisition 5 Properties. Pursuant to the Exchange Agreement 5, SmartCentres and certain of the other vendors have been granted the right for a period of five years from the date of acquisition of the Acquisition 5 Properties (i.e. until July 2010), subject to SmartCentres' option to extend, which has been exercised, for a further five year term (i.e. until July 2015) (the "**Acquisition 5 Earn-Out Period**"), to earn additional proceeds (the "**Acquisition 5 Earn-Out Proceeds**") from Calloway on the completion and rental of additional space on the Acquisition 5 Undeveloped Lands (an "**Acquisition 5 Earn-Out Event**"). The formula used to calculate the Acquisition 5 Earn-Out Proceeds for any new development uses net rents from the new development divided by the capitalization rate used to derive the portion of the purchase price allocated to the associated Acquisition 5 Property plus 12.5 basis points. If an Acquisition 5 Earn-Out Event does not occur before the expiration of the Acquisition 5 Earn-Out Period with respect to a new building, Calloway will not be required to pay any Acquisition 5 Earn-Out Proceeds in connection with such new building and will be required to repay only 85% of the proceeds it borrowed from the vendors in relation to the acquisition and development of the centres attributable to such new building (including the amount owing under the mortgage, construction financing advances (if any) and interest thereon, all relative to the relevant Acquisition 5 Undeveloped Lands).

SmartCentres and certain of the other vendors have the right, at their option, to receive up to 40% of the gross proceeds for any new developments in up to 3,250,000 LP Class B Series 1 Units, in aggregate, at a purchase price of $20.10 per unit by exchanging a similar amount of LP Class C Series 1 Units, and up to 2,452,762 Units, in aggregate, at a purchase price of $20.10 per unit. Each LP Class B Series 1 Unit issued as a result of an Acquisition 5 Earn-Out Event shall result in the cancellation of one LP Class C Series 1 Unit and the issuance of an additional Special Voting Unit. As at December 31, 2011, SmartCentres and certain of the other vendors have earned $160.8 million in Acquisition 5 Earn-Out Proceeds of which $56.4 million has been paid through the issuance of 1,308,435 LP Class B Series 1 Units and 1,496,000 Units. On the assumption that it will be able to obtain financing on acceptable terms, Calloway expects that it will raise the needed capital to finance the balance of any Acquisition 5 Earn-Out Proceeds by issuing equity, or issuing mortgages secured against its properties, or by way of advances under operating or acquisition facilities.

With respect to certain of the Acquisition 5 Properties, Calloway will conduct the development process. SmartCentres and certain of the other vendors have been provided the right, at their option, on the completion of any development on such properties (an "**Acquisition 5 Development Event**"), to exchange LP Class C Series 1 Units, LP Class C Series 3 Units or LP Class E Series 1 Units together with a cash payment of $20.10 per unit for LP Class B Series 1 Units, LP Class B Series 3 Units or LP Class D Series 1 Units respectively (up to approximately 5,250,000 LP Class C Series 1 Units, LP Class C Series 3 Units and LP Class E Series 1 Units in aggregate), and to acquire Units (up to approximately 47,238 Units in aggregate) at a price of $20.10 per Unit, for an aggregate amount equal to up to 40% of the value of such development ("**Acquisition 5 Development Proceeds**") where value will be determined in a manner similar to the determination of Acquisition 5 Earn-Out Proceeds. Each LP Class B Series 1 Unit, LP Class B Series 3 Unit or LP Class D Series 1 Unit issued as a result of an Acquisition 5 Development Event shall result in the cancellation of one LP Class C Series 1 Unit, LP Class C Series 3 Unit or LP Class E Series 1 Units respectively and the issuance of an additional Special Voting Unit in certain circumstances. As at December 31, 2011, the Acquisition 5 Development Proceeds equalled $127.8 million and resulted in the issuance of an aggregate of 10,055 Units and 1,095,874 LP Class B Series 1 Units, LP Class B Series 3 Units and LP Class D Series 1 Units in aggregate to SmartCentres and certain of the other vendors. On the assumption that it will be able to obtain financing on acceptable terms, Calloway expects that it will raise the needed capital to finance the balance of any developments on the applicable Acquisition 5 Properties by issuing equity, or issuing mortgages secured against its properties, or by way of advances under operating or acquisition facilities.

The Acquisition 6 Properties

Concurrently with the closing of the acquisition of the Acquisition 6 Properties from SmartCentres in April, 2006, Calloway entered into development agreements (the "**Development Agreements 6**") with SmartCentres for the development of additional retail space on the undeveloped lands on each of the Acquisition 6 Properties (the "**Acquisition 6 Undeveloped Lands**"). Pursuant to the Development Agreements 6, SmartCentres assumed responsibility for managing the development of additional retail space on the Acquisition 6 Undeveloped Lands and was granted the right for a period of five years from the date of the acquisition (i.e. until April 2011), subject to SmartCentres' option, which has been exercised, to extend for a further five year term (i.e. until April 2016) (the "**Acquisition 6 Earn-Out Period**"), to earn additional proceeds (the "**Acquisition 6 Earn-Out Proceeds**") from Calloway on the completion and rental of additional space on these lands (an "**Acquisition 6 Earn-Out Event**"). The formula used to calculate the Acquisition 6 Earn-Out Proceeds for any new development uses net rents from the new development divided by a capitalization rate which in all cases exceeds the capitalization rate used to derive the portion of the purchase price allocated to the associated Acquisition 6 Property, with the result that in each instance the acquisition of a new development should be accretive to Calloway. SmartCentres provides financing to Calloway for the development costs of the additional developments. As at December 31, 2011, SmartCentres has earned $26.7 million in Acquisition 6 Earn-Out Proceeds.

The Acquisition 7 Properties

Concurrently with the closing of the acquisition of the Acquisition 7 Properties from SmartCentres and other vendors in December 2006, Calloway entered into development agreements with SmartCentres and certain of the other vendors for the development of additional retail space on the undeveloped lands on certain of the Acquisition 7 Properties (the "**Acquisition 7 Undeveloped Lands**"). Pursuant to those development agreements, SmartCentres and certain of the other vendors assumed responsibility for managing the development of additional retail space on the Acquisition 7 Undeveloped Lands. At the same time, Calloway entered into an exchange, option and support agreement (the "**Exchange Agreement 7**") with SmartCentres and certain of the other vendors of the Acquisition 7 Properties. Pursuant to the Exchange Agreement 7, SmartCentres and the other vendors have been granted the right for a period of ten years from the date of acquisition of the Acquisition 7 Properties (i.e. until December 31, 2016) (the "**Acquisition 7 Earn-Out Period**"), to earn additional proceeds (the "**Acquisition 7 Earn-Out Proceeds**") from Calloway on the completion and rental of additional space on the Acquisition 7 Undeveloped Lands (an "Acquisition 7 Earn-Out Event"). The formula used to calculate the Acquisition 7 Earn-Out Proceeds for any new development uses net rents from the new development divided by pre-determined negotiated capitalization rates (based on the then prevailing Government of Canada bond yields plus a spread ranging from 2% to 3%, subject to certain minimum capitalization rates ranging from 6.1% to 7.5% and maximum capitalization rates ranging from 6.9% to 9.5%). If an Acquisition 7 Earn-Out Event does not occur before the expiration of the Acquisition 7 Earn-Out Period with respect to a new building, Calloway is obligated to pay any amounts attributed to such undeveloped lands in excess of the initial land value of such undeveloped lands.

SmartCentres and certain of the other vendors have the right, at their option, to receive up to 30% of the gross proceeds for any new developments up to 3,350,000 LP Class B Series 2 Units, in aggregate, and 800,000 LP Class D Series 2 Units, in aggregate, at purchase prices ranging from $29.55 to $33.00 per unit by exchanging a similar amount of LP Class C Series 2 Units, and up to 551,416 Units, in aggregate, at purchase prices ranging from $29.55 to $33.00 per unit. Each LP Class B Series 2 Unit and LP Class D Series 2 Unit issued as a result of an Acquisition 7 Earn-Out Event shall result in the cancellation of one LP Class C Series 2 Unit and one LP Class E Series 2 Unit, respectively, and the issuance of an additional Special Voting Unit in certain circumstances. As at December 31, 2011, SmartCentres and certain of the other vendors have earned $237.7 million in Acquisition 7 Earn-Out Proceeds, none of which has been paid through the issuance of LP Class B Series 2 Units, LP Class D Series 2 Units or Units. On the assumption that it will be able to obtain financing on acceptable terms, Calloway expects that it will raise the needed capital to finance the balance of any Acquisition 7 Earn-Out Proceeds by issuing equity, or issuing mortgages secured against its properties, or by way of advances under operating or acquisition facilities.

The Acquisition 8 Properties

Concurrently with the closing of the acquisition of the Acquisition 8 Properties from SmartCentres, Calloway entered into development agreements with SmartCentres for the development of additional retail space on the undeveloped lands on certain of the Acquisition 8 Properties (the "**Acquisition 8 Undeveloped Lands**"). Pursuant to those development agreements, SmartCentres assumed responsibility for managing the development of additional retail space on the Acquisition 8 Undeveloped Lands. On February 29, 2008, Calloway entered into an option agreement (the "**Exchange Agreement 8**") with SmartCentres. Pursuant to the Exchange Agreement 8, SmartCentres has been granted the right for a period of approximately ten years from the date of acquisition of the Acquisition 8 Properties (i.e. until July 2017) (the "**Acquisition 8 Earn-Out Period**"), to earn additional proceeds (the "**Acquisition 8 Earn-Out Proceeds**") from Calloway on the completion and rental of additional space on the Acquisition 8 Undeveloped Lands (an "**Acquisition 8 Earn-Out Event**"). The formula used to calculate the Acquisition 8 Earn-Out Proceeds for any new development uses net rents from the new development divided by pre-determined negotiated capitalization rates ranging from a minimum of 5.95% to capitalization rates based on the then prevailing Government of Canada bond yields plus a spread of 2%, subject to maximum capitalization rates of 6.85%. If an Acquisition 8 Earn-Out Event does not occur before the expiration of the Acquisition 8 Earn-Out Period with respect to a new building, Calloway is obligated to pay any amounts attributed to such undeveloped lands in excess of the initial land value of such undeveloped lands.

SmartCentres has the right, at their option, to receive up to 30% of the gross proceeds for any new developments in up to 1,348,223 Units, in aggregate, at purchase prices ranging from $29.55 to $33.00 per Unit. As at December 31, 2011, SmartCentres has earned $121.1 million in Acquisition 8 Earn-Out Proceeds, none of which has been paid through the issuance of Units. On the assumption that it will be able to obtain financing on acceptable terms, Calloway expects that it will raise the needed capital to finance the balance of any Acquisition 8 Earn-Out Proceeds by issuing equity, or issuing mortgages secured against its properties, or by way of advances under operating or acquisition facilities.

The Acquisition 9 Properties

Concurrently with the closing of the acquisition of the Acquisition 9 Properties from SmartCentres and Wal-Mart Canada Realty Inc. in June, 2008, Calloway entered into development agreements with SmartCentres for the development of additional retail space on the undeveloped lands on certain of the Acquisition 9 Properties (the "**Acquisition 9 Undeveloped Lands**"). Pursuant to those development agreements, SmartCentres assumed responsibility for managing the development of additional retail space on the Acquisition 9 Undeveloped Lands. Calloway also entered into an option agreement (the "**Exchange Agreement 9**") with SmartCentres. Pursuant to the Exchange Agreement 9, SmartCentres has been granted the right for a period of approximately ten years from the date of acquisition of the Acquisition 9 Properties (i.e. until June 2018) (the "**Acquisition 9 Earn-Out Period**"), to earn additional proceeds (the "**Acquisition 9 Earn-Out Proceeds**") from Calloway on the completion and rental of additional space on the Acquisition 9 Undeveloped Lands (an "**Acquisition 9 Earn-Out Event**"). The formula used to calculate the Acquisition 9 Earn-Out Proceeds for any new development uses net rents from the new development divided by pre-determined negotiated capitalization rates ranging from 6.425% and 8.125%. If an Acquisition 9 Earn-Out Event does not occur before the expiration of the Acquisition 9 Earn-Out Period with respect to a new building, Calloway is obligated to pay any amounts attributed to such undeveloped lands in excess of the initial land value of such undeveloped lands.

SmartCentres has the right, at their option, to receive proceeds for any new developments up to 750,000 LP Class F Series 3 units (the "**LP Class F Series 3 Units**"), in aggregate, at a purchase price of $20.10 per unit by exchanging a similar amount of LP Class C Series 3 Units. Each LP Class F Series 3 Unit issued as a result of an Acquisition 9 Earn-Out Event shall result in the cancellation of one LP Class C Series 3 Unit and the issuance of an additional Special Voting Unit in certain circumstances. Each LP Class F Series 3 Unit is exchangeable at the option of the holder for cash or one LP Class B Series 1 Unit. LP Class B Series 1 Units are exchangeable at the option of the holder on a one for one basis for Units. As at December 31, 2011 SmartCentres has earned $79.5 million in Acquisition 9 Earn-Out Proceeds, of which $0.7 million has been paid through the issuance of 34,227 LP Class B Series Units which are included as part of Acquisition 5 Development Event (i.e. on the subsequent exchange of the related LP Class F Series 3 Units). On the assumption that it will be able to obtain financing on acceptable terms, Calloway expects that it will raise the needed capital to finance the balance of any Acquisition 9 Earn-Out Proceeds by issuing equity, or issuing mortgages secured against its properties, or by way of advances under operating or acquisition facilities.

The Acquisition 11 Properties

Concurrently with the closing of the acquisition of the Acquisition 11 Properties from SmartCentres and Wal-Mart Canada Realty Inc., Calloway entered into development agreements with SmartCentres for the development of additional retail space on the undeveloped lands on certain of the Acquisition 11 Properties (the "**Acquisition 11 Undeveloped Lands**"). Pursuant to those development agreements, SmartCentres assumed responsibility for managing the development of additional retail space on the Acquisition 11 Undeveloped Lands. Pursuant to the Calloway LP III Agreement, SmartCentres has been granted the right for a period of approximately 5 years from the date of acquisition of the Acquisition 11 Properties (i.e. until June 2015) (the "**Acquisition 11 Earn-Out Period**"), to earn additional proceeds (the "**Acquisition 11 Earn-Out Proceeds**") from Calloway on the completion and rental of additional space on the Acquisition 11 Undeveloped Lands (an "**Acquisition 11 Earn-Out Event**"). The formula used to calculate the Acquisition 11 Earn-Out Proceeds for any new development uses net rents from the new development divided by pre-determined negotiated capitalization rates ranging from 6.95% for Acquisition 11 Earn-Out Events occurring in the first year and 7.2% thereafter.

For the purposes of this section, "**LP III Class B Earn-Out Unit Value**" means, where an Acquisition 11 Earn-Out Event occurs, the volume weighted average trading price of the Units on The Toronto Stock Exchange for the ten (10) trading days immediately preceding the tenth (10^{th}) business day preceding the relevant earn-out settlement date.

Upon an Acquisition 11 Earn-Out Event, that number of LP III Class C Units obtained by dividing: (A) the Acquisition 11 Earn-Out Proceeds in respect of the Acquisition 11 Earn-Out Event, by (B) $21.60, shall become exchangeable into LP III Class B Units (up to 1,000,000) and/or redeemable for cash consideration as provided herein. In particular, with respect to a particular Acquisition 11 Earn-Out Event, the LP III Class C Units that so become exchangeable and/or redeemable shall, on the relevant earn-out settlement date, be exchanged and/or redeemed by Calloway LP III, at the holder's sole option, into:

(a) an elected number of LP III Class B (with a corresponding number of Special Voting Units issued to the holder on receipt of the LP III Class B Units) obtained by dividing: (A) the portion of the Acquisition 11 Earn-Out Proceeds in respect of the Acquisition 11 Earn-Out Event that the holder elects to exchange into LP III Class B Units, by (B) the LP III Class B Earn-Out Unit Value for such Acquisition 11 Earn-Out Event; and/or

(b) cash in an amount equal to the Acquisition 11 Earn-Out Proceeds for such Acquisition 11 Earn-Out Event less the product of the elected number of LP III Class B Units determined pursuant to subsection (a) above multiplied by Class B Earn-Out Unit Value for such Acquisition 11 Earn-Out Event.

LP III Class B Units are exchangeable at the option of the holder on a one for one basis for Units. As at December 31, 2011, SmartCentres has earned $9.5 million in Acquisition 11 Earn-Out Proceeds, of which $1.6 million has been paid through the issuance of 63,612 Class B Series 4 Units. On the assumption that it will be able to obtain financing on acceptable terms, Calloway expects that it will raise the needed capital to finance the balance.

The Acquisition 12 Properties

Concurrently with the closing of the acquisition of the Acquisition 12 Properties from SmartCentres and Wal-Mart Canada Realty Inc., Calloway entered into development agreements with SmartCentres for the development of additional retail space on the undeveloped lands on certain of the Acquisition 12 Properties (the "**Acquisition 12 Undeveloped Lands**"). Pursuant to those development agreements, SmartCentres assumed responsibility for managing the development of additional retail space on the Acquisition 12 Undeveloped Lands. Pursuant to the Calloway LP III Agreement, SmartCentres has been granted the right for a period of approximately 5 years from the date of acquisition of the Acquisition 12 Properties (i.e. until August 2016) (the "**Acquisition 12 Earn-Out Period**"), to earn additional proceeds (the "**Acquisition 12 Earn-Out Proceeds**") from Calloway on the completion and rental of additional space on the Acquisition 12 Undeveloped Lands (an "**Acquisition 12 Earn-Out Event**"). The formula used to calculate the Acquisition 12 Earn-Out Proceeds for any new development uses net rents from the new development divided by pre-determined negotiated capitalization rates ranging from 6.32% to 6.70% for Acquisition 12 Earn-Out Events occurring in the first year and 6.57% to 6.95% thereafter.

For the purposes of this section, "**LP III Class B Earn-Out Unit Value**" means, where an Acquisition 12 Earn-Out Event occurs, the volume weighted average trading price of the Units on The Toronto Stock Exchange for the ten (10) trading days immediately preceding the tenth (10^{th}) business day preceding the relevant earn-out settlement date.

Upon an Acquisition 12 Earn-Out Event, that number of LP III Class C Units obtained by dividing: (A) the Acquisition 12 Earn-Out Proceeds in respect of the Acquisition 12 Earn-Out Event, by (B) $24.15, shall become exchangeable into LP III Class B Units (up to 1,243,000) and/or redeemable for cash consideration as provided herein. In particular, with respect to a particular Acquisition 12 Earn-Out Event, the LP III Class C Units that so become exchangeable and/or redeemable shall, on the relevant earn-out settlement date, be exchanged and/or redeemed by Calloway LP III, at the holder's sole option, into:

(a) an elected number of LP III Class B Series 5 Units (with a corresponding number of Special Voting Units issued to the holder on receipt of the LP III Class B Units) obtained by dividing: (A) the portion of the Acquisition 12 Earn-Out Proceeds in respect of the Acquisition 12 Earn-Out Event that the holder elects to exchange into LP III Class B Units, by (B) the LP III Class B Earn-Out Unit Value for such Acquisition 12 Earn-Out Event; and/or

(b) cash in an amount equal to the Acquisition 12 Earn-Out Proceeds for such Acquisition 12 Earn-Out Event less the product of the elected number of LP III Class B Units determined pursuant to subsection (a) above multiplied by Class B Earn-Out Unit Value for such Acquisition 12 Earn-Out Event.

LP III Class B Series 5 Units are exchangeable at the option of the holder on a one for one basis for Units. As at December 31, 2011, SmartCentres has earned $20.1 million in Acquisition 12 Earn-Out Proceeds of which $7.4 million has been paid through the issuance of 274,715 LP III Class B Series 5 Units.

Issuance of Securities on Earn-out Events

In the event that SmartCentres or any other applicable vendors do not elect to take any portion of the aforementioned earn-out proceeds in Units or exchangeable Calloway LP, Calloway LP II or Calloway LP III units, Calloway expects that it will raise the needed capital to finance the balance of any applicable earn-out proceeds by issuing equity, or issuing mortgages secured against its properties, or by way of advances under operating or acquisition facilities.

Other Opportunities With SmartCentres

In addition to the acquisition of retail developments on the aforementioned undeveloped lands as these projects are completed, Calloway hopes to have the opportunity to acquire additional new format retail developments from SmartCentres. SmartCentres' equity and board positions in Calloway may provide Calloway with an enhanced opportunity to access SmartCentres divestures if and when they arise.

OVERVIEW AND STRATEGIC DIRECTION

Calloway's vision is to create exceptional places to shop.

Calloway's purpose is to own and manage dominant shopping centres that provide our retailers with a platform to reach their customers through convenient locations, intelligent designs, and desirable tenant mix.

Calloway's shopping centres focus on value oriented retailers and include the strongest national and regional names as well as strong neighbourhood merchants. It is expected that Wal-Mart will continue to be the dominant anchor tenant in the portfolio and that its presence will continue to attract other retailers and consumers.

As at December 31, 2011, Calloway owned 127 shopping centres, one office building and one industrial building with total gross leasable area of 25.5 million square feet, located in communities across Canada. Generally, Calloway's centres are conveniently located close to major highways, which along with the anchor stores, provide significant draws to Calloway portfolio, attracting both value oriented consumers and retailers. Calloway acquired the right, for a ten-year term commencing in 2007, to use the "SmartCentres" brand, which represents a family and value oriented shopping experience.

Acquisitions

Subject to the availability of acquisition opportunities, Calloway intends to grow distributions, in part, through the accretive acquisition of properties. The current environment for acquisitions is very competitive; however, the cost of capital relative to the return available on acquisitions is such that accretive acquisitions can be negotiated. Calloway explores acquisition opportunities as they arise.

Developments, Earnouts and Mezzanine Financing

Calloway Developments, Earnouts and Mezzanine Financing continue to be a significant component of Calloway's strategic plan. As at December 31, 2011, Calloway has approximately 5.8 million square feet of potential gross leasable area that could be developed. Assuming Calloway continues to successfully manage the development of leasable area and raise the capital required for such development, Calloway plans to develop approximately 2.0 million square feet of this gross leasable area internally ("Calloway Developments"), approximately 2.2 million square feet of the space to be developed and leased to third parties by SmartCentres and other vendors ("Earnouts") and approximately 1.6 million square feet of the space to be developed under mezzanine financing purchase options ("Mezzanine Financing").

Earnouts occur where the vendors retain responsibility for managing certain developments on behalf of Calloway for additional proceeds calculated based on a predetermined, or formula based, capitalization rate, net of land and development costs incurred by Calloway. Calloway is responsible for managing the completion of the Calloway Developments. Mezzanine financing purchase options are exercisable once a shopping centre is substantially complete and allows the lender to acquire 50% or 100% of the completed shopping centre.

Professional Management

Through professional management of the portfolio, Calloway intends to ensure its properties portray an image that will continue to attract consumers as well as provide preferred locations for its tenants. Well-managed properties enhance the shopping experience and ensure customers continue to visit the centres. Professional management of the portfolio has contributed to a continuing high occupancy level of 99.0% at December 31, 2011 (December 31, 2010 – 99.1%).

Competitive Conditions

Calloway competes for retail assets with other real estate investment trusts, corporations, life companies and pension plans. Buyers include both international and domestic entities. An increase in the availability of investment capital and an increase in the demand for the stable yields realized from real estate has resulted in increased prices and lower yields. Should the availability of capital and demand for real estate decrease, there would be a negative impact on real estate prices.

OVERVIEW OF PROPERTY PORTFOLIO

As of December 31, 2011, the Property Portfolio consisted of 129 properties located in all of the provinces of Canada including:

(a) 12 properties located in British Columbia;

(b) 5 properties located in Alberta;

(c) 3 properties located in Saskatchewan;

(d) 3 properties located in Manitoba;

(e) 77 properties located in Ontario;

(f) 16 properties located in Quebec;

(g) 2 properties located in New Brunswick;

(h) 4 properties located in Nova Scotia;

(i) 1 property located in Prince Edward Island; and

(j) 6 properties located in Newfoundland and Labrador.

The Property Portfolio is comprised almost exclusively of retail properties. As at December 31, 2011, approximately 99.5% of gross rental revenue was derived from retail properties containing an aggregate of 25,326,406 square feet and approximately 0.5% of gross rental revenue was derived from industrial and office properties containing an aggregate of 128,916 square feet. The occupancy rate for the Property Portfolio as at December 31, 2011, was 99.0%.

Information in the charts below is given as of December 31, 2011.

The majority of the properties have been completed within the past ten years. Each of the properties has been professionally managed and well maintained. The properties enjoy the benefits of strong locations and professional management and leasing practices, resulting in low vacancy, stable income and controlled expenses.

The following table summarizes the Property Portfolio as a whole as at December 31, 2011.

	Total
Number of Properties	129
Net Rentable Area (square feet) (excluding Undeveloped Lands)	25,522,751
Occupancy	99.0%
Average Non-Anchor Net Rent in Place	$19.91
Average Net Rent in Place	$14.18

Retail Properties

The following table sets forth certain summary information as at December 31, 2011, with respect to the retail properties in the Property Portfolio:

Property	Location	Ownership Interest	Net Rentable Area[(1)]	Future Area[(1)]	Occupancy	Major Tenants
British Columbia						
Courtenay SmartCentre	Courtenay	100%	244,032	0	99.3%	Wal-Mart, Winners, Staples, Future Shop, Petland, Sport Mart, RBC
Cranbrook SmartCentre	Cranbrook	100%	136,725	5,046	100.0%	Wal-Mart Supercentre, Real Canadian Superstore*, Home Hardware*
Kamloops SmartCentre	Kamloops	100%	219,599	0	100.0%	Wal-Mart, Michaels, Lordco Auto Parts, Pier 1 Imports, Reitmans
Langley SmartCentre	Langley	100%	354,103	2,870	100.0%	Wal-Mart Supercentre, Home Depot*, Save-on-Foods*, Home Outfitters
New Westminster SmartCentre	New Westminster	100%	419,786	20,580	99.1%	Wal-Mart Supercentre, Home Outfitters, Best Buy, Tommy Hilfiger, Bonnie Togs
Penticton Power Centre	Penticton	100%	202,199	0	100.0%	Zellers, Staples, Winners, Petcetera, TD Canada Trust
Prince George SmartCentre	Prince George	100%	288,341	37,130	98.9%	Wal-Mart Supercentre, Home Depot*, Canadian Tire*, Michaels
Surrey West SmartCentre	Surrey	100%	183,413	8,917	98.0%	Wal-Mart Supercentre, Dollar Giant, Sleep Country, Reitmans
Vernon SmartCentre	Vernon	100%	259,296	1,974	100.0%	Wal-Mart Supercentre, Rona*, Future Shop, Value Village
Alberta						
Calgary Southeast SmartCentre	Calgary	100%	246,085	0	98.8%	Wal-Mart Supercentre, London Drugs, Mark's Work Wearhouse
Crowchild Corner	Calgary	100%	23,377	0	100.0%	Re/Max, Respiratory Homecare Solutions Inc.
Edmonton Northeast	Edmonton	100%	274,353	0	98.0%	Wal-Mart Supercentre, Michaels, Mark's Work

Property	Location	Ownership Interest	Net Rentable Area(1)	Future Area(1)	Occupancy	Major Tenants
SmartCentre						Wearhouse, Moores
Lethbridge SmartCentre	Lethbridge	100%	325,630	0	100.0%	Wal-Mart Supercentre, Home Depot*, Ashley Furniture, Best Buy
St. Albert SmartCentre	St. Albert	100%	249,629	0	100.0%	Wal-Mart Supercentre, Save-on-Foods*, Totem*, Sleep Country
Saskatchewan						
Regina East SmartCentre	Regina	100%	371,268	0	100.0%	Wal-Mart, Real Canadian Superstore*, Rona*, HomeSense
Regina North SmartCentre	Regina	100%	276,168	0	100.0%	Wal-Mart Supercentre, Sobeys, Mark's Work Wearhouse, Dollarama, TD Canada Trust
Saskatoon South SmartCentre	Saskatoon	100%	374,722	0	100.0%	Wal-Mart Supercentre, Home Depot*, HomeSense, The Brick
Manitoba						
Kenaston Common SmartCentre	Winnipeg	100%	248,987	35,900	100.0%	Rona, Costco*, Indigo Books, Golf Town, Petland, HSBC, RBC
Winnipeg Southwest SmartCentre	Winnipeg	100%	499,666	0	100.0%	Wal-Mart, Home Depot*, Safeway, Home Outfitters, HomeSense
Winnipeg West SmartCentre	Winnipeg	100%	329,252	20,500	100.0%	Wal-Mart Supercentre, Canadian Tire*, Sobeys, Winners, Value Village, Staples
Ontario						
400 & 7 Power Centre	Vaughan	100%	252,966	0	94.7%	Sail, The Brick, Home Depot*, Staples, Value Village, GoodLife Fitness
401 & Weston Power Centre	North York	44%	172,483	0	88.0%	Real Canadian Superstore*, Canadian Tire, The Brick, Home Outfitters

Property	Location	Ownership Interest	Net Rentable Area(1)	Future Area(1)	Occupancy	Major Tenants
Ancaster SmartCentre	Ancaster	100%	236,090	37,720	100.0%	Wal-Mart Supercentre, Canadian Tire*, Future Shop, Dollar Giant
Aurora North SmartCentre	Aurora	50%	245,764	12,176	99.7%	Wal-Mart Supercentre, Rona, Best Buy, Golf Town, Dollarama
Aurora SmartCentre	Aurora	100%	51,187	0	89.6%	Canadian Tire*, Winners, Bank of Nova Scotia, Blockbuster
Barrie North SmartCentre	Barrie	100%	234,700	0	100.0%	Wal-Mart Supercentre, Zehrs*, Old Navy, Bonnie Togs, Addition-Elle
Barrie South SmartCentre	Barrie	100%	377,303	0	100.0%	Wal-Mart, Sobeys, Winners, Michaels, PetSmart, La-Z-Boy
Bolton SmartCentre	Bolton	100%	235,793	0	100.0%	Wal-Mart Supercentre, LCBO, Mark's Work Wearhouse, Reitmans
Bramport SmartCentre	Brampton	100%	120,298	163,222	100.0%	LA Fitness, LCBO, Dollarama, Swiss Chalet, CIBC, Bank of Montreal
Brampton East SmartCentre (I)	Brampton	100%	36,137	0	87.9%	Rona*, Canadian Tire*, The Beer Store, Kelsey's
Brampton East SmartCentre (II)	Brampton	100%	360,694	0	100.0%	Wal-Mart Supercentre, The Brick, Winners, Staples
Brampton North SmartCentre	Brampton	100%	48,404	27,356	74.8%	Fortinos*, Shoppers Drug Mart
Brockville SmartCentre	Brockville	100%	108,859	34,576	100.0%	Wal-Mart Supercentre*, Real Canadian Superstore*, Home Depot*, Winners, Future Shop, Michaels
Burlington (Appleby) SmartCentre	Burlington	100%	151,115	13,410	100.0%	Toys R Us, LA Fitness, Shoppers Drug Mart, Golf Town, Bank of Montreal
Burlington North SmartCentre	Burlington	100%	226,451	0	100.0%	Wal-Mart Supercentre, Reitmans, Moores, Bank of Nova Scotia
Burlington Staples SmartCentre	Burlington	100%	134,442	0	92.2%	Home Depot*, Future Shop, Staples, Bad Boy Furniture, Sears

Property	Location	Ownership Interest	Net Rentable Area(1)	Future Area(1)	Occupancy	Major Tenants
Cambridge SmartCentre (I)	Cambridge	100%	689,689	6,267	99.0%	Wal-Mart Supercentre, Rona, Best Buy, Staples, Bed Bath & Beyond, Future Shop, Dollarama
Cambridge SmartCentre (II)	Cambridge	100%	32,068	12,000	68.9%	Home Depot*, Canadian Tire*, 2001 Audio Video, Henry's Photography
Carleton Place SmartCentre	Carleton Place	100%	148,885	47,800	100.0%	Wal-Mart Supercentre, Dollarama, Mark's Work Wearhouse, Bulk Barn
Chatham SmartCentre	Chatham	50%	152,057	2,500	100.0%	Wal-Mart Supercentre, Zehrs*, Winners, Mark's Work Wearhouse, Petsmart, LCBO
Cobourg SmartCentre	Cobourg	100%	160,729	63,381	100.0%	Wal-Mart Supercentre, Home Depot*, Swiss Chalet
Etobicoke (Index) SmartCentre	Etobicoke	100%	64,041	126,539	100.0%	Marshalls, Petsmart, Bouclair
Etobicoke SmartCentre	Etobicoke	100%	294,725	0	100.0%	Wal-Mart, Home Depot*, Best Buy, Sport Chek, Old Navy
Guelph SmartCentre	Guelph	100%	242,703	78,712	100.0%	Wal-Mart Supercentre, Home Depot*, CIBC
Hamilton South SmartCentre	Hamilton	100%	190,097	92,863	100.0%	Wal-Mart Supercentre, Shoppers Drug Mart, Moores, CIBC, Bulk Barn, The Beer Store
Hanover SmartCentre	Hanover	100%	20,135	5,692	100.0%	Wal-Mart Supercentre*, Mark's Work Wearhouse, EasyHome
Hopedale Mall	Oakville	100%	310,157	0	95.7%	Zellers, Metro, Shoppers Drug Mart, LCBO, CIBC
Huntsville SmartCentre	Huntsville	100%	125,008	1,900	98.8%	Wal-Mart Supercentre, Your Independent Grocer*, Dollar Giant
Kapuskasing SmartCentre	Kapuskasing	100%	65,683	5,623	100.0%	Wal-Mart, Reitmans
Laurentian Power Centre	Kitchener	100%	185,993	0	100.0%	Zellers, Rona*, Zehrs*, Staples, Home Outfitters, CIBC

Property	Location	Ownership Interest	Net Rentable Area(1)	Future Area(1)	Occupancy	Major Tenants
Leaside SmartCentre	East York	100%	228,426	18,000	91.4%	Home Depot*, Winners, Sport Chek, Best Buy, Sobeys, Golf Town
London East Argyle Mall	London	100%	353,633	42,028	96.9%	Wal-Mart, No Frills, Winners, Staples, Sport Chek, GoodLife Fitness
London North SmartCentre	London	50%	237,236	26,977	98.2%	Wal-Mart Supercentre, Canadian Tire*, Future Shop, Winners
London Northwest SmartCentre	London	100%	35,841	310,820	100.0%	Boston Pizza, Montana's, Bank of Montreal, TD Canada Trust, RBC
Markham Woodside SmartCentre (I)	Markham	50%	163,199	0	100.0%	Home Depot, Winners, Staples, Chapters, Petstuff, Michaels
Markham Woodside SmartCentre (II)	Markham	50%	16,716	0	100.0%	Longo's*, La-Z-Boy, LCBO
Milton Wal-Mart Centre	Milton	50%	77,434	37,793	96.7%	Wal-Mart Supercentre*, Canadian Tire*, Staples, Bouclair, RBC
Mississauga (Erin Mills) SmartCentre	Mississauga	100%	282,161	8,532	98.1%	Wal-Mart Supercentre, No Frills, GoodLife Fitness
Napanee SmartCentre	Napanee	100%	109,565	14,420	100.0%	Wal-Mart, Dollarama, Mark's Work Wearhouse, EasyHome
Orleans SmartCentre	Orleans	100%	384,015	0	100.0%	Wal-Mart Supercentre, Canadian Tire*, Home Outfitters, Future Shop, Shoppers Drug Mart
Oshawa North SmartCentre	Oshawa	100%	500,271	94,137	100.0%	Wal-Mart Supercentre, Loblaws, Home Depot*, Future Shop
Oshawa South SmartCentre	Oshawa	50%	232,651	44,986	100.0%	Wal-Mart Supercentre, Lowe's, CIBC, Urban Barn, Moores
Ottawa South SmartCentre	Ottawa	50%	261,525	0	100.0%	Wal-Mart Supercentre, Loblaws, Cineplex Odeon, Future Shop
Owen Sound SmartCentre	Owen Sound	100%	158,074	9,000	100.0%	Wal-Mart Supercentre, Home Depot*, Penningtons, Dollarama

Property	Location	Ownership Interest	Net Rentable Area(1)	Future Area(1)	Occupancy	Major Tenants
Pembroke SmartCentre	Pembroke	100%	11,247	0	100.0%	Wal-Mart Supercentre*, Canadian Tire*, Boston Pizza, Reitmans
Pickering SmartCentre	Pickering	100%	546,282	0	100.0%	Wal-Mart Supercentre, Lowe's, Sobeys, Canadian Tire*, Toys R Us, Winners
Renfrew SmartCentre	Renfrew	100%	9,554	8,000	100.0%	Wal-Mart Supercentre*, Canadian Tire*, Mark's Work Wearhouse
Rexdale SmartCentre	Etobicoke	100%	35,174	0	93.2%	Wal-Mart Supercentre*, Dollarama, Bank of Nova Scotia
Richmond Hill SmartCentre	Richmond Hill	50%	136,306	0	100.0%	Wal-Mart Supercentre, Metro, Shoppers Drug Mart
Rockland SmartCentre	Rockland	100%	140,341	6,100	100.0%	Wal-Mart Supercentre, Dollarama, LCBO, Boston Pizza
Rutherford Village Shopping Centre	Vaughan	100%	104,226	0	96.9%	Sobeys, Pharma Plus, TD Canada Trust
Sarnia SmartCentre	Sarnia	100%	317,519	61,290	100.0%	Wal-Mart Supercentre, Winners, PetSmart, Penningtons, Dollarama
Scarborough (1900 Eglinton) SmartCentre	Scarborough	100%	380,090	0	100.0%	Wal-Mart Supercentre, Winners, Mark's Work Wearhouse, LCBO
Scarborough East SmartCentre (I)	Scarborough	100%	92,742	17,865	100.0%	Home Depot*, Staples, Fabricland, Mark's Work Wearhouse, RBC
Scarborough East SmartCentre (II)	Scarborough	100%	282,156	0	98.9%	Wal-Mart Supercentre, Cineplex Odeon, LCBO, Reitmans
St. Catharines West SmartCentre (I)	St. Catharines	100%	402,213	0	98.2%	Wal-Mart Supercentre, Real Canadian Superstore*, Canadian Tire*, Home Outfitters, Best Buy
St. Catharines West SmartCentre (II)	St. Catharines	100%	111,344	8,852	100.0%	The Brick, Michaels, Golf Town, Bouclair, Bulk Barn
St. Thomas SmartCentre	St. Thomas	100%	222,928	0	100.0%	Wal-Mart Supercentre, Real Canadian Superstore*, Canadian Tire*, Staples, Dollar Giant

Property	Location	Ownership Interest	Net Rentable Area(1)	Future Area(1)	Occupancy	Major Tenants
Stouffville SmartCentre	Stouffville	100%	163,076	437,584	100.0%	Wal-Mart Supercentre*, Canadian Tire, Winners, Staples
Sudbury South SmartCentre	Sudbury	100%	231,786	1,260	100.0%	Wal-Mart Supercentre, Dollarama, Bouclair
Toronto Stockyards SmartCentre	Toronto	100%	8,615	0	100.0%	Wal-Mart*, Bank of Montreal, Citifinancial
Vaughan SmartCentre	Vaughan	100%	269,755	216,788	100.0%	Wal-Mart Supercentre, Future Shop, Home Outfitters
Welland SmartCentre	Welland	100%	240,663	105,368	100.0%	Wal-Mart Supercentre, Canadian Tire*, Rona, Mark's Work Wearhouse
Westgate SmartCentre	Mississauga	100%	572,480	54,409	100.0%	Wal-Mart Supercentre, Rona, Real Canadian Superstore*
Westside Mall	Toronto	100%	144,407	0	98.5%	Canadian Tire, Price Chopper, Shoppers Drug Mart, CIBC
Whitby North SmartCentre	Whitby	100%	233,048	0	97.8%	Wal-Mart, Real Canadian Superstore*, LCBO, TD Canada Trust
Whitby Northeast SmartCentre	Whitby	100%	26,995	30,560	100.0%	Boston Pizza, Bell World, RBC
Windsor South SmartCentre	Windsor	100%	230,719	1,570	93.2%	Wal-Mart Supercentre, Part Source, Dollarama, Super Pet, Moores, The Beer Store
Woodbridge SmartCentre	Woodbridge	50%	216,891	0	98.0%	Canadian Tire*, Fortinos*, Best Buy, Toys R Us, Chapters
Woodstock SmartCentre	Woodstock	100%	256,830	21,400	100.0%	Wal-Mart Supercentre, Canadian Tire*, Staples, Mark's Work Wearhouse, Reitmans, Dollar Giant
Quebec						
Hull SmartCentre	Hull	50%	148,246	0	100.0%	Wal-Mart, Rona*, Famous Players*, Super C*, Winners, Staples
Kirkland SmartCentre	Kirkland	100%	207,216	0	100.0%	Wal-Mart, The Brick

Property	Location	Ownership Interest	Net Rentable Area[(1)]	Future Area[(1)]	Occupancy	Major Tenants
Laval East SmartCentre	Laval	100%	498,842	306,747	99.0%	Wal-Mart Supercentre, Canadian Tire, IGA, Winners, Bouclair, Sports Experts
Laval West SmartCentre	Laval	100%	588,073	0	100.0%	Wal-Mart Supercentre, Rona, Canadian Tire*, IGA*, Home Outfitters, Bouclair, Archambault
Magog SmartCentre	Magog	100%	101,854	77,305	100.0%	Wal-Mart, Canadian Tire*
Mascouche SmartCentre	Mascouche	100%	407,799	0	100.0%	Wal-Mart Supercentre, Rona*, IGA, Home Outfitters, Winners, Staples, Bouclair
Montreal (Decarie) SmartCentre	Montreal	50%	112,543	19,846	90.6%	Wal-Mart, Mark's Work Wearhouse, Pier 1 Imports, Addition-Elle
Montreal North SmartCentre	Montreal	100%	257,694	25,800	100.0%	Wal-Mart, IGA, Winners, Dollarama, Mark's Work Wearhouse
Place Bourassa Mall	Montreal	100%	277,600	0	100.0%	Zellers, Super C, Pharmaprix, Bouclair, L'Aubainerie, SAQ, RBC
Rimouski SmartCentre	Rimouski	100%	243,676	0	98.5%	Wal-Mart, Tanguay*, Super C*, Winners, Future Shop, SAQ
Saint-Constant SmartCentre	Saint-Constant	100%	304,922	17,713	98.5%	Wal-Mart, Home Depot*, Super C, L'Aubainerie Concept Mode
Saint-Jean SmartCentre	Saint-Jean	100%	201,745	21,808	100.0%	Wal-Mart, Maxi*, Mark's Work Wearhouse, TD Canada Trust
Saint-Jerome SmartCentre	Saint-Jerome	100%	141,335	22,037	100.0%	Wal-Mart Supercentre*, Home Depot*, IGA, Future Shop, Bouclair, Dollarama
Sherbrooke SmartCentre	Sherbrooke	100%	210,820	0	100.0%	Wal-Mart, Home Depot*, Canadian Tire*, Best Buy, The Brick, Mark's Work Wearhouse
Valleyfield SmartCentre	Valleyfield	100%	161,941	0	98.4%	Wal-Mart, Dollarama, SAQ, Reitmans
Victoriaville SmartCentre	Victoriaville	100%	27,534	13,448	100.0%	Wal-Mart*, Home Depot*, Maxi*, Winners

Property	Location	Ownership Interest	Net Rentable Area[(1)]	Future Area[(1)]	Occupancy	Major Tenants
New Brunswick						
Saint John SmartCentre	Saint John	100%	271,884	0	94.2%	Wal-Mart, Kent*, Canadian Tire*, Winners, Future Shop, CIBC
Nova Scotia						
Bridgewater SmartCentre	Bridgewater	100%	46,824	21,000	93.3%	Wal-Mart*, Home Depot*, Canadian Tire*, Staples, Boston Pizza
Halifax Bayers Lake Centre	Halifax	100%	167,788	0	100.0%	Zellers*, Atlantic Superstore*, Future Shop, Winners, Bouclair, Reitmans, Addition-Elle
New Minas SmartCentre	New Minas	100%	46,129	0	95.5%	Wal-Mart*, Sport Chek, Mark's Work Wearhouse, Bulk Barn, Bank of Nova Scotia
Truro SmartCentre	Truro	100%	123,673	18,300	100.0%	Wal-Mart, Kent*, Stitches, Reitmans, Penningtons
Prince Edward Island						
Charlottetown SmartCentre	Charlottetown	100%	197,213	21,500	100.0%	Wal-Mart, Canadian Tire*, Home Depot*, Sobeys*, Michaels
Newfoundland and Labrador						
Corner Brook SmartCentre	Corner Brook	100%	179,004	0	100.0%	Wal-Mart, Canadian Tire*, Dominion (Loblaw)*, Staples, Bulk Barn
Gander SmartCentre	Gander	100%	25,502	26,850	91.8%	Wal-Mart*, Penningtons, EasyHome, Bank of Nova Scotia
Mount Pearl SmartCentre	Mount Pearl	100%	264,764	1,914	100.0%	Wal-Mart, Canadian Tire*, Dominion (Loblaw)*, Goodlife Fitness, Staples, Reitmans, CIBC
Pearlgate Shopping Centre	Mount Pearl	100%	42,951	0	100.0%	Shoppers Drug Mart, TD Canada Trust, Bulk Barn

Property	Location	Ownership Interest	Net Rentable Area(1)	Future Area(1)	Occupancy	Major Tenants
St. John's Central SmartCentre	St. John's	100%	141,322	12,149	94.3%	Wal-Mart*, Home Depot*, Canadian Tire*, Sobeys, Moores, Staples, Dollarama
St. John's East SmartCentre	St. John's	100%	365,519	0	100.0%	Wal-Mart, Dominion (Loblaw)*, Winners, Staples, Future Shop, Old Navy, Michaels
Total			**25,393,834**	**3,048,809**		

Note:
* Non-owned anchor
(1) Represents Calloway's interest in the net rentable area of the property.

Industrial and Office Properties

The following table sets forth certain summary information as at December 31, 2011, with respect to the industrial and office properties in the Property Portfolio:

Property	Location	Ownership Interest	Net Rentable Area(1)	Future Area(1)	Occupancy	Major Tenants
British Columbia						
Airtech Centre	Richmond	100%	111,488	0	100.0%	MTU Maintenance, Amre Supply Co., William L. Rutherford, RE/MAX
Ontario						
British Colonial Building	Toronto	100%	17,429	0	100.0%	Navigator Limited, Irish Embassy Pubs Inc.
Total			**128,917**	**0**		

Note:
(1) Represents Calloway's interest in the net rentable area of the property.

Retail Development Lands

The following table sets forth certain summary information as at December 31, 2011, with respect to the retail development lands in the Property Portfolio:

Property	Location	Ownership Interest	Area Upon Completion[(1)]	Major Tenants
British Columbia				
Quesnel SmartCentre	Quesnel	100%	34,408	Wal-Mart*
Salmon Arm SmartCentre	Salmon Arm	50%	110,494	Wal-Mart[(2)]
Ontario				
Dunnville SmartCentre	Dunnville	100%	35,000	Canadian Tire*, Sobeys*
Fort Erie SmartCentre	Fort Erie	100%	36,455	Wal-Mart Supercentre*, No Frills*
Halton Hills Premium Outlet	Halton Hills	100%	454,357	-
Innisfil SmartCentre	Innisfil	50%	116,500	Wal-Mart[(2)]
Mississauga (Dixie and Dundas) Centre	Mississauga	100%	288,153	-
Toronto (Eastern) SmartCentre	Toronto	50%	60,000	-
New Brunswick				
Fredericton North SmartCentre	Fredericton	100%	51,075	Wal-Mart*, Canadian Tire*, Kent*
Total			**1,186,442**	

Note:
* Non-owned anchor
(1) Represents Calloway's interest in the net rentable area of the property.
(2) Currently in the development phase

Tenant Mix

The following table illustrates the top ten tenants for the Property Portfolio as at December 31, 2011, in terms of their percentage contribution to gross rental revenues of the Property Portfolio:

Tenant	% of Gross Rental Revenues
Wal-Mart	25.7%
Canadian Tire / Marks Work Wearhouse / Forzani Group	4.3%
Winners	3.7%
Best Buy / Future Shop	3.4%
Reitmans	3.1%
HBC	3.1%
Sobeys	2.6%
Staples	2.2%
Rona	2.1%
Cara Restaurants	1.5%
Total	51.7%

Occupancy Rates

Overall, the Property Portfolio has experienced high occupancy rates. The occupancy rate for the Property Portfolio was 99.0% as at December 31, 2011.

The following table summarizes the lease maturities for the Property Portfolio as at December 31, 2011.

Expiries by Year	Area	% of Total Area
Month-to-month	92,380	0.36%
2012	647,344	2.54%
2013	1,649,518	6.46%
2014	1,504,786	5.90%
2015	1,529,974	5.99%
2016	1,713,786	6.71%
2017	1,410,460	5.53%
2018	1,389,100	5.44%
2019	2,140,968	8.39%
2020	1,969,954	7.72%
Beyond	11,229,433	44.00%
Vacant	245,048	0.96%
Total	**25,522,751**	**100.00%**

Financing

The following table summarizes the principal mortgage debt repayments (excluding capital lease obligations) on Calloway's portfolio of income producing properties (assuming debt is not renewed on maturity) as at December 31, 2011:

	Payments of Principal ($)	Debt Maturing During Year ($)	Total ($)	% of Total	Weighted Average Interest Rate
Term Facilities					
2012	53,370,794	84,181,668	137,552,462	5.1	5.46
2013	50,779,095	232,950,137	283,729,232	10.5	6.18
2014	47,962,966	219,189,214	267,152,180	9.9	5.91
2015	43,925,618	168,833,188	212,758,806	7.9	5.74
2016	43,021,019	89,989,727	133,010,746	4.9	5.86
2017	41,490,529	91,657,082	133,147,611	4.9	5.73
2018	29,552,252	169,625,184	199,177,436	7.4	5.96
2019	24,119,155	78,955,713	103,074,868	3.8	5.94
2020	18,357,655	81,056,036	99,413,691	3.7	5.46
2021	13,682,997	92,488,404	106,171,401	3.9	5.34
2022	12,328,030	15,577,369	27,905,399	1.0	5.77
2023	9,790,498	42,340,372	52,130,870	1.9	5.63
2024	5,492,575	-	5,492,575	0.2	6.02
2025	2,665,894	4,432,563	7,098,457	0.3	5.93
2026	1,736,759	11,236,511	12,973,270	0.5	5.74
Thereafter	-	27,500,000	27,500,000	1.0	5.25
Development and Revolving Operating Facilities					
Development loans	-	61,328,721	61,328,721	2.3	3.29
Secured loans	-	44,000,000	44,000,000	1.6	4.39
Unsecured Debentures					
2014	-	250,000,000	250,000,000	9.2	5.37
2015	-	75,000,000	75,000,000	2.8	7.95
2016	-	100,000,000	100,000,000	3.7	5.10
2018	-	100,000,000	100,000,000	3.7	5.00
2019	-	90,000,000	90,000,000	3.3	4.70
Convertible Debentures					
2013	-	122,285,000	122,285,000	4.5	6.65
2017	-	55,921,000	55,921,000	2.1	5.75

	Payments of Principal ($)	Debt Maturing During Year ($)	Total ($)	% of Total	Weighted Average Interest Rate
Total	**398,275,836**	**2,308,547,889**	**2,706,823,725**	**100.0**	**5.69**
Mark-To-Market Adjustment			**9,430,549**		
			2,716,254,274		
Less: Deferred Financing Costs			**(14,442,171)**		
Total Indebtedness			**2,701,812,103**		

Debt (excluding Convertible Debentures) as a percentage of Gross Book Value	49.0%
Debt (including Convertible Debentures) as a percentage of Gross Book Value	52.3%
Weighted average interest rate (excluding adjustment for mark-to-market amortization of assumed term debt on acquisition)	5.81%
Weighted average interest rate (including adjustment for mark-to-market amortization of assumed term debt on acquisition)	5.78%

ASSETS OF CALLOWAY

A description of each of the properties in the Property Portfolio is set out below:

British Columbia

Airtech Centre, 6020 Russ Baker Way, Richmond, British Columbia

Airtech Centre is a 111,000 square foot office/warehouse building situated near Vancouver International Airport in Richmond, British Columbia. Calloway has acquired a crown lease for this property, which expires on December 31, 2021 and has no further options to renew. The property is leased to several prominent tenants. The centre is anchored by MTU Maintenance, which occupies 65,000 square feet. Other tenants include Amre Supply Co., William L. Rutherford Ltd., Standard Aero Ltd., Remax West Coast, Shearwater Marine, Aviation World, and McDonald's.

Courtenay SmartCentre, 3199 Cliffe Avenue, Courtenay, British Columbia

Courtenay SmartCentre is a 244,000 square foot shopping centre that is situated on 23.47 acres at the northwest corner of Anfield Road and Cliffe Avenue in Courtenay, British Columbia. A 107,000 square foot Wal-Mart store anchors the centre. Other national tenants include Winners, Staples, Future Shop, Petland, Sport Mart, Mark's Work Wearhouse, Reitmans, Royal Bank of Canada, Sleep Country, Penningtons, Everything for a Dollar, and The Source. The site can accommodate a 45,000 square foot expansion of the Wal-Mart store.

Cranbrook SmartCentre, 2100 Willowbrook Drive, Cranbrook, British Columbia

Cranbrook SmartCentre is a 137,000 square foot shopping centre that is situated on 15.85 acres at the southeast quadrant of 22nd Street North and Theatre Road in Cranbrook, British Columbia. The centre is anchored by a 107,000 square foot Wal-Mart Supercentre. Shadow anchors include a 143,000 square foot Real Canadian Superstore (Loblaws) and a 43,000 square foot Home Hardware. Other national tenants include Mark's Work Wearhouse, Penningtons, La Senza, Tim Hortons, Payless Shoesource, EB Games and Bell World. An additional 5,000 square feet of future development potential remain on undeveloped lands. The site can accommodate a 30,000 square foot expansion of the Wal-Mart store.

Kamloops SmartCentre, 1055 Hillside Drive, Kamloops, British Columbia

Kamloops SmartCentre is a 220,000 square foot shopping centre that is situated on 20.54 acres at the southeast corner of McGill Road and Notre Dame Drive in Kamloops, British Columbia. A 129,000 square foot Wal-Mart store anchors the centre. Other major tenants include Michaels, Lordco Auto Parts, Pier 1 Imports, Sleep Country, Montana's Cookhouse, Reitmans, Everything for a Dollar, and Warehouse One.

Langley SmartCentre, 20202 66th Avenue, Langley, British Columbia

Langley SmartCentre is a 354,000 square foot shopping centre that is situated on 27.81 acres at the southwest corner of 66th Avenue and 203rd Street in Langley, British Columbia. The centre is anchored by a 156,000 square foot Wal-Mart Supercentre, a 40,000 square foot Home Outfitters, a 38,000 square foot London Drugs, and a 31,000 square foot Best Buy. Other major tenants include Old Navy, Envision Credit Union, Adidas, Reitmans, Moores, Hallmark, Bonnie Togs, Everything for a Dollar, Wendy's, Payless Shoesource, and The Source. Shadow anchors include a 130,000 square foot Home Depot and a 42,000 square foot Save-on-Foods store.

New Westminster SmartCentre, 800 Boyd Street, New Westminster, British Columbia

New Westminster SmartCentre is a 420,000 square foot shopping centre that is situated on 35.06 acres at the intersection of Boyd Street and Queensborough Bridge in New Westminster, British Columbia. A 158,000 square foot Wal-Mart Supercentre anchors the centre. Other national tenants include Home Outfitters, Best Buy, Tommy Hilfiger, Bonnie Togs, The Gap, The Children's Place, La Senza, Below the Belt, BCBG (Max Azria), Boston Pizza, Reebok, Mexx, Moores, Le Chateau, Guess, Garage Clothing and Aldo. An additional 20,000 square feet of development potential remain on the site.

Penticton Power Centre, 2210 Main Street, Penticton, British Columbia

Penticton Power Centre is a 202,000 square foot shopping centre that is situated on Main Street and Dawson Avenue in Penticton, British Columbia. A 111,000 square foot Zellers currently anchors the centre, however, this Zellers lease has been assigned to Loblaws for the operation of a full-line Loblaws store commencing in 2013. Other national tenants include Staples, Winners, Petcetera, Sleep Country, and TD Canada Trust.

Prince George SmartCentre, 6565 Southridge Avenue, Prince George, British Columbia

Prince George SmartCentre is a 288,000 square foot shopping centre that is situated on 31.42 acres at the intersection of Yellowhead Highway 16 West and Domano Boulevard in Prince George, British Columbia. A 165,000 square foot Wal-Mart Supercentre anchors the centre. Shadow anchors include a 96,000 square foot Canadian Tire store and a 108,000 square foot Home Depot. Other national tenants include Michaels, Mark's Work Wearhouse, Petland, Vision Electronics, La Senza, Addition-Elle, Smart Set, Reitmans, Everything for a Dollar, and Royal Bank of Canada. An additional 45,000 square feet of development potential remain.

Quesnel SmartCentre, Quesnel, British Columbia

Quesnel SmartCentre is a development property that is situated on approximately 8.29 acres at Cariboo Highway and Maple Drive in Quesnel, British Columbia. The site has been zoned for commercial uses and has 34,000 square feet of developable area. An 82,000 square foot Wal-Mart store is currently in operation on lands immediately adjacent to the site.

Salmon Arm SmartCentre, Salmon Arm, British Columbia

Salmon Arm SmartCentre is a development property that is situated on approximately 61.86 acres at Trans Canada Highway and 30th Street in Salmon Arm, British Columbia. The site has been zoned for commercial uses and has 221,000 square feet of developable area. Calloway owns a 50% interest in this property.

Surrey West SmartCentre, 12549 - 88th Avenue, Surrey, British Columbia

Surrey West SmartCentre is a 183,000 square foot shopping centre that is situated on approximately 23.61 acres at the northeast corner of 88th Avenue and 124th Street in Surrey, British Columbia. The centre is anchored by a 134,000 square foot Wal-Mart Supercentre. Other national tenants include Dollar Giant, Sleep Country, Reitmans, Bonnie Togs, La Senza, Ardene, Burger King, and Payless Shoesource. The site has 9,000 square feet of developable area remaining.

Vernon SmartCentre, 2200 58th Avenue, Vernon, British Columbia

Vernon SmartCentre is a 259,000 square foot shopping centre that is situated on 24.14 acres on the southeast quadrant of Highway 97 and 27th Street in Vernon, British Columbia. A 145,000 square foot Wal-Mart Supercentre anchors the centre. Other tenants include Future Shop, Value Village, Mark's Work Wearhouse, La Senza, Petland, Sleep Country, Penningtons, Everything for a Dollar, Reitmans, Warehouse One, and Tim Hortons. The centre has an additional 2,000 square feet of development potential remaining on undeveloped lands. Rona shadow anchors the centre, occupying a 50,300 square foot store adjacent to the site.

Alberta

Calgary Southeast SmartCentre, 4705 130th Avenue SE, Calgary, Alberta

Calgary Southeast SmartCentre is a 246,000 square foot shopping centre that is situated on 19.94 acres at the intersection of Deerfoot Trail and 130th Avenue Southeast in Calgary, Alberta. A 161,000 square foot Wal-Mart Supercentre and a 39,000 square foot London Drugs anchor the centre. Other national tenants include Mark's Work Wearhouse, Reitmans, Penningtons, Everything for a Dollar, Hallmark, and Payless Shoesource.

Crowchild Corner, 2439 54th Avenue SW, Calgary, Alberta

Crowchild Corner is a 23,000 square foot shopping centre that is situated on Crowchild Trail in southwest Calgary, Alberta. This thoroughfare enjoys one of the city's highest traffic counts of 73,000 vehicles per day. The property consists of a single story "L" shaped building with 119 parking stalls and a good tenant mix including Re/Max House of Real Estate, Respiratory Homecare Solutions, Wozniak & Lester, Pfanntastic Pannenkoek Haus, Glenmore Park Dental and Mac's Convenience Store.

Edmonton Northeast SmartCentre, 13703 40th Street NW, Edmonton, Alberta

Edmonton Northeast SmartCentre is a 274,000 square foot shopping centre that is situated on 23.35 acres at 137th Avenue and 40th Street Northwest in Edmonton, Alberta. A 162,000 square foot Wal-Mart Supercentre anchors the centre. Other national tenants include Michaels, Mark's Work Wearhouse, Everything for a Dollar, Bulk Barn, Moores, Penningtons, Reitmans, Hallmark, Warehouse One, The Source, and Payless Shoesource.

Lethbridge SmartCentre, 3700 Mayor Magrath Drive S, Lethbridge, Alberta

Lethbridge SmartCentre is a 326,000 square foot shopping centre that is situated on 28.35 acres at the northwest corner of 28th Street South and Highway 5 in Lethbridge, Alberta. The centre is anchored by a 195,000 square foot Wal-Mart Supercentre, and shadow-anchored by 95,000 square foot Home Depot. Other national tenants include

Ashley Furniture, Best Buy, Mark's Work Wearhouse, Tony Roma's, Addition-Elle, Sleep Country, Moores, State & Main Kitchen & Bar, Reitmans, Bank of Nova Scotia, and Bulk Barn.

St. Albert SmartCentre, 700 St. Albert Road, St. Albert, Alberta

St. Albert SmartCentre is a 250,000 square foot shopping centre that is situated on 21.28 acres at the northwest corner of St. Albert Road and Villeneuve Road in St. Albert, Alberta. It is anchored by a 197,000 square foot Wal-Mart Supercentre. Other major tenants include Mark's Work Wearhouse, Alberta Treasury Branch, Canadian Western Bank, Sleep Country, Tim Hortons, Warehouse One, and Payless Shoesource. Shadow anchors include a 49,000 square foot Save on Foods store and a 43,000 square foot Totem Building Supplies.

Saskatchewan

Regina East SmartCentre, 2150 Prince of Wales Drive, Regina, Saskatchewan

Regina East SmartCentre is a 371,000 square foot shopping centre that is situated on 31.33 acres at the intersection of Quance Street and Prince of Wales Drive in Regina, Saskatchewan. A 129,000 square foot Wal-Mart store, a 54,000 square foot HomeSense, a 40,000 square foot London Drugs, and a 33,000 square foot Home Outfitters anchor the centre. Other national tenants include Best Buy, Michaels, Pier 1 Imports, Penningtons, Bulk Barn, Bowring, Reitmans, East Side Mario's, The Shoe Company, Hallmark, Warehouse One, and Payless Shoesource. The centre can accommodate a 30,000 square foot expansion of the Wal-Mart store. Shadow anchors include a 130,000 square foot Real Canadian Superstore as well as an 89,000 square foot Rona Home and Garden.

Regina North SmartCentre, 3939 Rochdale Boulevard, Regina, Saskatchewan

Regina North SmartCentre is a 276,000 square foot shopping centre that is situated on 23.21 acres at the southeast corner of Rochdale Boulevard and Pasqua Road in Regina, Saskatchewan. The centre is anchored by a 164,000 square foot Wal-Mart Supercentre and a 43,000 square foot IGA. Other national tenants include Mark's Work Wearhouse, Dollarama, TD Canada Trust, Bulk Barn, Reitmans, Warehouse One, and HSBC Bank Canada.

Saskatoon South SmartCentre, 3035 Clarence Avenue S, Saskatoon, Saskatchewan

Saskatoon South SmartCentre is a 375,000 square foot shopping centre that is situated on approximately 40.89 acres at the northeast corner of Clarence Avenue South and Melville Street in Saskatoon, Saskatchewan. The centre is anchored by a 194,000 square foot Wal-Mart Supercentre as well as being shadow-anchored by a 98,000 square foot Home Depot store. Other national tenants include HomeSense, The Brick, Ashley Furniture, Golf Town, Mark's Work Wearhouse, Petland, Dollarama, Adidas, Tony Roma's, Sleep Country, La Senza, Reitmans, Bank of Nova Scotia, and TD Canada Trust.

Manitoba

Kenaston Common SmartCentre, 2255-2355 McGillivray Boulevard, Winnipeg, Manitoba

Kenaston Common SmartCentre is a 249,000 square foot shopping centre that is situated on 30.75 acres at the intersection of Kenaston Boulevard and McGillivray Boulevard in Winnipeg, Manitoba. A 99,000 square foot Rona anchors the site. Other national tenants include Indigo Books, Golf Town, Petland, Nygard, Moxie's Classic Grill, Joey's Restaurant, CIBC, HSBC Bank Canada, Royal Bank of Canada, Bulk Barn, and Henry's Photography. An additional 43,000 square feet of development potential remains.

Winnipeg Southwest SmartCentre, 1665 Kenaston Boulevard, Winnipeg, Manitoba

Winnipeg Southwest SmartCentre is a 500,000 square foot shopping centre that is situated on 49.91 acres at the intersection of Kenaston Boulevard and McGillivray Boulevard in Winnipeg, Manitoba. A 129,000 square foot Wal-Mart store, an 84,000 square foot Safeway, and a 39,000 square foot Home Outfitters anchor the centre along with a 95,000 square foot Home Depot shadow anchor. Other national tenants include HomeSense, Urban Planet, Mark's

Work Wearhouse, Urban Barn, Addition-Elle, Tommy Hilfiger, Bowring, Danier Leather, Reitmans, Mexx, Reebok, Tim Hortons, Roots, Ricki's, Le Chateau, Bank of Nova Scotia, Kelsey's, and Bonnie Togs. A 30,000 square foot expansion of the Wal-Mart store can be accommodated on the site.

Winnipeg West SmartCentre, 3655 Portage Avenue, Winnipeg, Manitoba

Winnipeg West SmartCentre is a 329,000 square foot shopping centre that is situated on 33.37 acres on the northeast corner of Portage Avenue and Knox Boulevard in Winnipeg, Manitoba. The centre is anchored by a 128,000 square foot Wal-Mart Supercentre and a 43,000 square foot IGA. A 75,000 square foot Canadian Tire store shadow-anchors the centre. Other national tenants include Winners, Value Village, Staples, Shoppers Drug Mart, Mark's Work Wearhouse, Addition-Elle, Sport Mart, Reitmans, Sleep Country, and Hallmark. An additional 23,000 square feet of future development potential remain on undeveloped lands.

Ontario

400 & 7 SmartCentre, 101 Northview Boulevard, Vaughan, Ontario

400 & 7 SmartCentre is a 253,000 square foot shopping centre that is situated on Highway 400 and Highway 7 in Vaughan, Ontario. A 75,000 square foot Sail and a 49,000 square foot The Brick anchor the site along with a 100,000 square foot Home Depot that shadow anchors the site. Other major tenants include Staples, Value Village, GoodLife Fitness, TigerDirect, West 49, XS Cargo and Frame Express Gallery.

401 & Weston Power Centre, 2625A Weston Road, North York, Ontario

401 & Weston Power Centre is a 387,000 square foot shopping centre that is situated on Highway 401 and Weston Road in Toronto, Ontario. A 59,000 square foot Canadian Tire store, a 40,000 square foot The Brick, a 37,000 square foot Home Outfitters, and a 31,000 square foot Future Shop anchor the site along with a 180,000 square foot Real Canadian Superstore as a shadow anchor. Other national tenants include Staples, LCBO, Mark's Work Wearhouse, Dollar Giant, Fitness Source, Laura's Shoppe, Penningtons, Bulk Barn, CIBC, Reitmans, The Beer Store, and Sleep Country. Calloway owns a 44.4% interest in this property.

Ancaster SmartCentre, 1051 Garner Road W, Ancaster, Ontario

Ancaster SmartCentre is a 236,000 square foot shopping centre that is situated on 31.3 acres at the northwest corner of Highway 53 and Shaver Road in the City of Hamilton, Ontario. The centre is anchored by a 164,000 square foot Wal-Mart Supercentre and shadow-anchored by a 74,000 square foot Canadian Tire store. Other national tenants include Future Shop, Bouclair, Dollar Giant, The Source, Payless Shoesource, Pet Valu, and Starbucks. An additional 37,000 square feet remain to be developed.

Aurora North SmartCentre, Aurora, Ontario

Aurora North SmartCentre is a 492,000 square foot shopping centre that is situated on approximately 72.43 acres at the northwest corner of Highway 404 and Wellington Street East in Aurora, Ontario. A 213,000 square foot Wal-Mart Supercentre and a 98,000 square foot Rona anchor the site. Other national tenants include Best Buy, Golf Town, Dollarama, The Keg, Boston Pizza, Reitmans, Fairweather, Bowring, Ricki's, Royal Bank of Canada, TD Canada Trust, International Clothiers, Ardene and The Sony Store. An additional 24,000 square feet of development potential remain on the site. Calloway owns a 50% interest in this property.

Aurora SmartCentre, 14760 Yonge Street, Aurora, Ontario

Aurora SmartCentre is a 51,000 square foot shopping centre that is situated at the southwest corner of Yonge Street and Murray Drive in Aurora, Ontario. National tenants include Winners and Bank of Nova Scotia. A 64,000 square foot Canadian Tire store shadow-anchors the centre.

Barrie North SmartCentre, 450 Bayfield Street, Barrie, Ontario

Barrie North SmartCentre is a 235,000 square foot shopping centre that is situated on 19.86 acres at the northwest corner of Livingstone Street West and Bayfield Street North in Barrie, Ontario. The centre is anchored by a 161,000 square foot Wal-Mart Supercentre and shadow-anchored by an 81,000 square foot Zehrs. Other national tenants include Old Navy, Bonnie Togs, Addition-Elle, McDonalds, Reitmans, Kelsey's, Super Pet, and Payless Shoesource.

Barrie South SmartCentre, 35 Molson Park Drive, Barrie, Ontario

Barrie South SmartCentre is a 377,000 square foot shopping centre that is situated on 32.77 acres at Highway 400 and Molson Park Drive in Barrie, Ontario. A 126,000 square foot Wal-Mart store and a 52,000 square foot Sobeys anchor the centre. Other national tenants include Winners, La-Z-Boy Furniture Gallery, Michaels, Petsmart, Stitches, Dollar Giant, The Shoe Company, Boston Pizza, Kelsey's, Reitmans, Bank of Nova Scotia, Hallmark, Bulk Barn, and CIBC. A 30,000 square foot expansion of the Wal-Mart store can be accommodated.

Bolton SmartCentre, 150 McEwan Drive E, Bolton, Ontario

Bolton SmartCentre is a 236,000 square foot shopping centre that is situated on 18.87 acres at Highway 50 (Queen Street) and McEwan Drive East in Bolton, Ontario. A 162,000 square foot Wal-Mart Supercentre anchors this site. Other national tenants include LCBO, Mark's Work Wearhouse, Your Dollar Store With More, Reitmans, Swiss Chalet, Kelsey's, Penningtons, Ricki's, Hallmark, Payless Shoesource, and The Source.

Bramport SmartCentre, 9940-9980 Airport Road, Brampton, Ontario

Bramport SmartCentre is a 120,000 square foot shopping centre that is situated on approximately 28.44 acres at the intersection of Bovaird Drive and Airport Road in Brampton, Ontario. The site is anchored by a 46,000 square foot LA Fitness. National tenants include LCBO, Dollarama, CIBC, Bank of Montreal, Swiss Chalet, Bulk Barn, KFC, Wendy's, and Tim Hortons. The site has 163,000 square feet of remaining developable area.

Brampton East SmartCentre (I), 2870 Queen Street E, Brampton, Ontario

Brampton East SmartCentre (I) is a 36,000 square foot shopping centre that is situated at the northwest corner of Highway 7 and Airport Road in Brampton, Ontario. Major tenants include The Beer Store, Kelsey's, Aria Day Spa, and EB Games. A 127,000 square foot Rona store and a 91,000 square foot Canadian Tire store on lands adjacent to the site shadow-anchor the shopping centre.

Brampton East SmartCentre (II), 30 Coventry Road, Brampton, Ontario

Brampton East SmartCentre (II) is a 361,000 square foot shopping centre that is situated on 32.74 acres at the intersection of Queen Street (Highway 7) and Airport Road in Brampton, Ontario. The site is anchored by a 199,000 square foot Wal-Mart Supercentre and a 45,000 square foot The Brick. Other national tenants include Winners, Staples, Mark's Work Wearhouse, Bonnie Togs, Sleep Country, Alterna Savings, Burger King, Everything for a Dollar, Mr. Greek Express, and Payless Shoesource.

Brampton North SmartCentre, 55 Mountainash Road, Brampton, Ontario

Brampton North SmartCentre is a 48,000 square foot shopping centre that is situated at the northeast corner of Bovaird Road and Mountainash Road in Brampton, Ontario. The centre is shadow-anchored by a 62,000 square foot Fortinos. Major tenants include Shoppers Drug Mart, Synergy Performing Arts Academy, Brampton Urgent Care Center, Regional Municipality of Peel, and Telus Mobility. An additional 27,000 square feet of development potential remain on the site.

British Colonial Building, 8 Wellington Street E, Toronto, Ontario

British Colonial Building is a 17,000 square foot office retail property prominently that is situated at the intersection of Wellington Street East and Yonge Street in downtown Toronto, Ontario. The property is a heritage building, originally constructed in 1875 and most recently renovated in 1997. Tenants include Navigator Limited, Irish Embassy Pubs, Rowand Intellectual Property Law and Jatheon Technologies.

Brockville SmartCentre, 2057 Parkedale Avenue W, Brockville, Ontario

Brockville SmartCentre is a 109,000 square foot shopping centre that is situated on Parkedale Avenue West and North Augusta Road in Brockville, Ontario. The centre is shadow-anchored by a 190,000 square foot Wal-Mart Supercentre, a 105,000 square foot Real Canadian Superstore and an 85,000 square foot Home Depot. Other national tenants include Winners, Future Shop, Mark's Work Wearhouse, Sports Experts, Dollar Giant, Boston Pizza, La Senza, Reitmans, Tip Top Tailors, Hallmark, and Payless Shoesource. An additional 31,000 square feet of development potential remain on the site.

Burlington (Appleby) SmartCentre, Burlington, Ontario

Burlington (Appleby) SmartCentre is a 151,000 square foot shopping centre that is situated at the intersection of Appleby Line and Dundas Street in Burlington, Ontario. The site is anchored by a 55,000 square foot Toys R Us and a 46,000 L.A. Fitness. Other national tenants include Shoppers Drug Mart, Golf Town and Bank of Montreal. There is 14,000 square feet of development potential remaining on this site.

Burlington North SmartCentre, 4515 Dundas Street, Burlington, Ontario

Burlington North SmartCentre is a 226,000 square foot shopping centre that is situated on 25.83 acres at Appleby Line and Highway 5 in Burlington, Ontario. The centre is anchored by a 161,000 square foot Wal-Mart Supercentre. National tenants include Bouclair, Reitmans, Boston Pizza, Moores, PJ's Pets, Bank of Nova Scotia, Kelsey's, Penningtons, Ricki's, Sleep Country, and Payless Shoesource.

Burlington Staples SmartCentre, 3050 Davidson Court, Burlington, Ontario

Burlington Staples SmartCentre is a 134,000 square foot shopping centre that is situated on 23 acres at the corner of Guelph Line and Davidson Court, directly off the QEW interchange in Burlington, Ontario. The site is anchored by a 30,000 square foot Future Shop. Other major tenants include Staples, Bad Boy Furniture, Lee Valley Tools, Sears Mattresses and Appliances and Montana's Cookhouse. A 133,000 square foot Home Depot shadow-anchors the centre.

Cambridge SmartCentre (I), 22 Pinebush Road, Cambridge, Ontario

Cambridge SmartCentre (I) is a 690,000 square foot shopping centre that is situated at the intersection of Highway 401 and Hespeler Road (Highway 24) in Cambridge, Ontario. A 156,000 square foot Wal-Mart Supercentre and a 125,000 square foot Rona anchor the site. Other national tenants include Best Buy, Staples, Bed Bath & Beyond, Michaels, Future Shop, Old Navy, Laura's Shoppe, Mark's Work Wearhouse, Bouclair, Urban Planet, Solutions, Chuck E. Cheese's, La Vie En Rose, Tommy Hilfiger, Bonnie Togs, Dollarama, Gap Outlet, The Keg, The Bombay Company, Tip Top Tailors, Smart Set, Addition-Elle, Le Chateau, and Reitmans. An additional 5,000 square feet of development potential remain on the site.

Cambridge SmartCentre (II), 55 Pinebush Road, Cambridge, Ontario

Cambridge SmartCentre (II) is a 32,000 square foot shopping centre that is situated on 4.73 acres at the intersection of Hespeler Road and Pinebush Road (south side) in Cambridge, Ontario. Directly across Pinebush Road, on the north side, is Calloway's 686,000 square foot Cambridge SmartCentre (I). Shadow anchors include a 95,000 square foot Home Depot and a 130,000 square foot Canadian Tire. Major tenants include 2001 Audio Video, Henry's

Photography, The Source, Sally Beauty Supply, Telus Mobility, EB Games, and Rogers Wireless. An additional 12,000 square feet of development potential remain on the site.

Carleton Place SmartCentre, 450 McNeely Avenue, Carleton Place, Ontario

Carleton Place SmartCentre is a 149,000 square foot shopping centre that is situated at the intersection of Highway 7 and McNeely Avenue in Carleton Place, Ontario. This centre is anchored by a 116,000 square foot Wal-Mart Supercentre. Other national tenants include Dollarama, Mark's Work Wearhouse, Bulk Barn, EasyHome, Hallmark, and EB Games. The site has 48,000 square feet of developable area remaining.

Chatham SmartCentre, 801 St. Clair Street, Chatham, Ontario

Chatham SmartCentre, 801 St. Clair Street, Chatham, Ontario. Chatham SmartCentre is a 304,000 square foot shopping centre that is situated at the intersection of St. Clair Street and Pioneer Line. A 202,000 square foot Wal-Mart Supercentre anchors the site. Other national tenants include Winners, Mark's Work Wearhouse, Dollarama, LCBO, Bouclair, Petsmart, Bank of Montreal, Payless Shoesource, and The Source. An additional 5,000 square feet of development potential remain on the site. A 125,000 square foot Zehr's shadow-anchors the site. Calloway owns a 50% interest in this property.

Cobourg SmartCentre, 73 Strathy Road, Cobourg, Ontario

Cobourg SmartCentre is a 161,000 square foot shopping centre that is situated at Highway 2 and Strathy Road in Cobourg, Ontario. A 143,000 square foot Wal-Mart Supercentre anchors the site. Other national tenants include Swiss Chalet, Everything for a Dollar, East Side Mario's, and EB Games. An additional 63,000 square feet of development potential remain on the site. An 85,000 square foot Home Depot shadow-anchors the site.

Dunnville SmartCentre, Dunnville, Ontario

Dunnville SmartCentre is a development property that is situated on approximately 15.64 acres at Taylor Road between the intersection of Main Street and Forkes Road in Dunnville, Ontario. The site has 35,000 square feet of developable area. The site has been rezoned for commercial use.

Etobicoke (Index) SmartCentre, Etobicoke, Ontario

Etobicoke (Index) SmartCentre is a 64,000 square foot shopping centre that is situated at the intersection of Index Road and Queen Street in Etobicoke, Ontario. The site is anchored by a 37,000 square foot Marshalls. Other national tenants include Petsmart and Bouclair. There is 127,000 square feet of development potential remaining on this site.

Etobicoke SmartCentre, 165 North Queen Street, Etobicoke, Ontario

Etobicoke SmartCentre is a 295,000 square foot shopping centre that is situated at North Queen Street and The Queensway. A 132,000 square foot Wal-Mart store, a 35,000 square foot Best Buy and a 33,000 square foot Sport Chek anchor the site. National tenants include Old Navy, Mark's Work Wearhouse, La Senza, Urban Barn, Addition-Elle, Reitmans, The Shoe Company, Bowring, Hallmark, Smart Set, Ricki's, Payless Shoesource, and The Source. A 135,000 square foot Home Depot operates on lands adjacent to the site.

Fort Erie SmartCentre, Fort Erie, Ontario

Fort Erie SmartCentre is a development property that is situated on approximately 3.32 acres at the intersection of Garrison Road and Thompson Road in Fort Erie, Ontario. The site has been zoned for commercial uses and has 36,000 square feet of developable area. A 108,000 square foot Wal-Mart Supercentre and a 32,000 square foot No-Frills are currently operating on lands immediately adjacent to the site.

Guelph SmartCentre, Guelph, Ontario

Guelph SmartCentre is a 243,000 square foot shopping centre that is situated at Woodlawn Road and Highway 6. A 171,000 square foot Wal-Mart Supercentre anchors the site. National tenants include Homesense, Michaels, CIBC and Ricki's. Home Depot operates on lands adjacent to the site. There is 79,000 square feet of remaining development potential at this centre.

Halton Hills Centre, Halton Hills, Ontario

Halton Hills Centre is a development property that is situated on 46 developable acres at the intersection of Highway 401 and Trafalgar Road in Halton Hills, Ontario. The site has 454,000 square feet of developable density.

Hamilton South SmartCentre, Hamilton, Ontario

Hamilton South SmartCentre is a 190,000 square foot shopping centre that is situated at Fennell Avenue West and Upper James Street. A 125,000 square foot Wal-Mart Supercentre anchors the site. National tenants include Shoppers Drug Mart, CIBC, Moores, Bulk Barn, The Beer Store and Reitmans. There is 93,000 square feet of remaining development potential at this centre.

Hanover SmartCentre, 1100 10th Street, RR 1, Hanover, Ontario

Hanover SmartCentre is a 20,000 square foot shopping centre that is situated at Highway 4 and Highway 28 in Hanover, Ontario. A 78,000 square foot Wal-Mart Supercentre is currently operating on adjacent lands. Tenants include Mark's Work Wearhouse, Crabby Joe's, EasyHome, and First Choice Haircutters. An additional 6,000 square feet of development potential remain on the site.

Hopedale Mall, 1515 Rebecca Street, Oakville, Ontario

Hopedale Mall is a 310,000 square foot enclosed shopping mall that is situated on 21.13 acres of land on the northeast corner of 3rd Line and Rebecca Street in Oakville, Ontario. The mall is anchored by a 110,000 square foot Zellers and a 41,000 square foot Metro store. The Zellers lease has been assigned to Target and is expected to open in 2013. Other major tenants include Exclusively Women's Fitness Centre, Shoppers Drug Mart, LCBO, CIBC, TD Canada Trust, The Beer Store, Buck or Two, Tim Hortons, Payless Shoesource, Ardene, Pet Valu, and The Source.

Huntsville SmartCentre, 111 Howland Drive, Huntsville, Ontario

Huntsville SmartCentre is a 125,000 square foot shopping centre that is situated at the intersection of Highway 11 and Highway 60. An 85,000 square foot Wal-Mart Supercentre anchors the site. Other national tenants include Dollar Giant, Mark's Work Wearhouse, Kelsey's, East Side Mario's, and Bulk Barn. An additional 2,000 square feet of development potential remain on the site. Adjacent to the site is a 69,000 square foot Your Independent Grocer (a Loblaws-owned grocery chain).

Innisfil SmartCentre, Innisfil, Ontario

Innisfil SmartCentre is a development property that is situated on approximately 86.6 acres at Highway 400 and Innisfil Beach Road in Innisfil, Ontario. The site has been zoned for commercial uses and has 233,000 square feet of developable area. Calloway owns a 50% interest in this property.

Kapuskasing SmartCentre, 350 Government Road, Kapuskasing, Ontario

Kapuskasing SmartCentre is a 66,000 square foot shopping centre that is situated at Highway 11 and Caron Street in Kapuskasing, Ontario. A 61,000 square foot Wal-Mart store anchors the site. An additional 5,000 square feet of future development potential remain on undeveloped lands. The site can accommodate a 35,000 square foot expansion of the Wal-Mart store.

Laurentian Power Centre, 245 Strasburg Road, Kitchener, Ontario

Laurentian Power Centre is an 186,000 square foot centre that is situated on Strasburg Road and Ottawa Street in Kitchener, Ontario. A 117,000 square foot Zellers and a 34,000 square foot Home Outfitters anchor the centre. The Zellers lease has been assigned to Target and is expected to open in 2013. Other tenants include Staples, CIBC, Fairway Dental Centre and EB Games. Shadow anchors include a 106,000 square foot Rona and a 115,000 square foot Zehrs located on adjoining lands.

Leaside SmartCentre, 147 Laird Drive, East York, Ontario

Leaside SmartCentre is a 228,000 square foot centre that is situated on Laird Drive and Eglinton Avenue East in Toronto, Ontario. A 44,000 square foot Winners, a 33,000 square foot Sport Chek and a 30,000 square foot Best Buy anchor the centre. Other national tenants include Sobeys, Golf Town, LCBO, Royal Bank of Canada, Bank of Montreal, Urban Barn, The Sony Store, HMV and Hallmark. A 131,000 square foot Home Depot shadow-anchors the site. An additional 30,000 square feet of development potential remain on the site.

London East Argyle Mall, 1925 Dundas Street, London, Ontario

London East Argyle Mall is a 354,000 square foot shopping centre that is situated on the southeast corner of Clarke Road and Dundas Street in London, Ontario. Formerly an enclosed shopping centre, the centre has been partially converted into new format retail space anchored by a 129,000 square foot Wal-Mart store and a 33,000 square foot No Frills (Loblaws). Other national tenants include Winners, Staples, Sport Chek, GoodLife Fitness, LCBO, Mark's Work Wearhouse, Dollar Giant, East Side Mario’s, Moores, Sleep Country, Casey’s Bar and Grill, Burger King, CIBC, Reitmans, Payless Shoesource, Hallmark, and The Source. An additional 42,000 square feet of future development potential remain.

London North SmartCentre, 1280 Fanshawe Park Road W, London, Ontario

London North SmartCentre is a 474,000 square foot shopping centre that is situated at the intersection of Hyde Park Road and Fanshawe Park Road in London, Ontario. A 202,000 square foot Wal-Mart Supercentre, a 30,000 square foot Future Shop and a 30,000 square foot Winners anchor the site. Other national tenants include Sport Chek, HomeSense, Old Navy, Golf Town, Structube, Dollarama, Globo Shoes, La Senza, Bonnie Togs, Le Chateau, Reitmans, Ricki’s, Bombay, Roots, and Bulk Barn. An additional 54,000 square feet of development potential remain on the site. Calloway owns a 50% interest in this property.

London Northwest SmartCentre, 1335 Fanshawe Park Road W, London, Ontario

London Northwest SmartCentre is a 36,000 square foot shopping centre that is situated on the northeast corner of Hyde Park Road and Fanshawe Park Road in London, Ontario. National tenants include Boston Pizza, Bank of Montreal, Montana's Cookhouse, Kelsey's, TD Canada Trust, Royal Bank of Canada, and Tim Hortons. The site has an additional 311,000 square feet of developable area remaining. This property is located across from the London North SmartCentre which is 50% owned by Calloway.

Markham Woodside SmartCentre (I), 3155 Highway 7 E, Markham, Ontario

Markham Woodside SmartCentre (I) is a 326,000 square foot shopping centre that is situated at the intersection of Woodbine Avenue and Highway 7 East in Markham, Ontario. A 130,000 square foot Home Depot and a 30,000 square foot Winners anchor the centre. Other national tenants include Staples, Chapters, Petstuff, Michaels, Pier 1 Imports, Urban Planet, Moores, Town Shoes, Roots, Fitness Source, Kelsey’s, and Danier Leather. Calloway owns a 50% interest in this property.

Markham Woodside SmartCentre (II), 3075 Highway 7 E, Markham, Ontario

Markham Woodside SmartCentre (II) is a 33,000 square foot shopping centre that is situated at the intersection of Woodbine Avenue and Highway 7 East in Markham, Ontario. The centre is adjacent to Markham Woodside

SmartCentre (I). Tenants include La-Z-Boy Furniture and LCBO. A 38,000 square foot Longo's is operating on lands immediately adjacent to the site. Calloway owns a 50% interest in this property.

Milton Wal-Mart Centre, 1280 Steeles Avenue East, Milton, Ontario

Milton Wal-Mart Centre is a 155,000 square foot shopping centre that is situated at the intersection of Highway 401 & James Snow Parkway in Milton, Ontario. A 185,000 square foot Wal-Mart Supercentre and a 78,000 square foot Canadian Tire store shadow anchor the site. Other major tenants include Staples, Absolute Dollar, Mark's Work Wearhouse, Bouclair, La Senza, Royal Bank of Canada, Reitmans, Montana's Cookhouse, Roots, Bonnie Togs, Tip Top Tailors, Penningtons, and Ricki's. An additional 76,000 square feet of development potential remain on the site. Calloway owns a 50% interest in this property.

Mississauga (Dixie and Dundas) Centre, 3105 Dixie Road, Mississauga, Ontario

Mississauga (Dixie and Dundas) Centre is a 288,000 square foot development property that is situated on 16.35 acres at Dixie Road and Dundas Road in Mississauga, Ontario.

Mississauga (Erin Mills) SmartCentre, 2150 Burnhamthorpe Road W, Mississauga, Ontario

Mississauga (Erin Mills) SmartCentre is a 282,000 square foot shopping centre that is situated on approximately 23.95 acres at Burnhamthorpe Road W and Erin Mills Parkway in Mississauga, Ontario. A 129,000 square foot Wal-Mart Supercentre and a 43,000 square foot No Frills anchor the site. Other national tenants include GoodLife Fitness, Shoppers Drug Mart, Dollarama, Rogers Video, Bank of Montreal, TD Canada Trust, and Crabby Joe's. An additional 9,000 square feet of development potential remain on the site.

Napanee SmartCentre, 89 Jim Kimmett Boulevard, Napanee, Ontario

Napanee SmartCentre is a 110,000 square foot shopping centre that is situated on 22.30 acres at the intersection of Jim Kimmett Boulevard and McPherson Drive in Napanee, Ontario. The centre is anchored by an 89,000 square foot Wal-Mart store. Other national tenants include Dollarama, Mark's Work Wearhouse, EasyHome, and The Source. An additional 14,000 square feet of development potential remain on the site.

Orleans SmartCentre, 3900 Innes Road, R.R. #2, Orleans, Ontario

Orleans SmartCentre is a 384,000 square foot shopping centre that is situated on approximately 33.57 acres at the southwest corner of Innes Road and Mer Bleue Road in Orleans, Ontario. The centre is anchored by a 200,000 square foot Wal-Mart Supercentre and a 32,000 square foot Home Outfitters as well as being shadow-anchored by a 117,000 square foot Canadian Tire store. Other national tenants include Future Shop, Shoppers Drug Mart, Petsmart, Dollarama, Bouclair, Boston Pizza, Bank of Nova Scotia, Ricki's, Ardene, La Senza, TD Canada Trust, and Bonnie Togs.

Oshawa North SmartCentre, 1471 Harmony Road North, Oshawa, Ontario

Oshawa North SmartCentre is a 500,000 square foot shopping centre that is situated at the intersection of Taunton Road East and Harmony Road North in Oshawa, Ontario. A 192,000 square foot Wal-Mart Supercentre and a 118,000 square foot Loblaws store anchor the site as well as being shadow-anchored by a 116,000 square foot Home Depot. Other national tenants include Future Shop, Michaels, Mark's Work Wearhouse, Pier 1 Imports, LCBO, Dollar Giant, Sport Mart, Globo Shoes, Addition-Elle, Bowring, Swiss Chalet, Tim Hortons, Reitmans, Stokes, Bank of Nova Scotia, East Side Mario's, Montana's Cookhouse, and La Vie En Rose. An additional 94,000 square feet of development potential remain on the site.

Oshawa South SmartCentre, 680 Laval Drive, Oshawa, Ontario

Oshawa South SmartCentre is a 465,000 square foot shopping centre that is situated on approximately 47.94 acres at the north corner of Stevenson Road and Laval Drive in Oshawa, Ontario. A 221,000 square foot Wal-Mart

Supercentre and a 142,000 square foot Lowe's anchor the site. Other national tenants include CIBC, Urban Barn, La Senza, Moores, Swiss Chalet, Reitmans, International Clothiers, Benix & Co., Bonnie Togs, Fairweather, Addition-Elle, Ricki's, Ardene, and Royal Bank of Canada. The site has 90,000 square feet of developable area remaining. Calloway owns a 50% interest in this property.

Ottawa South SmartCentre, 2210 Bank Street, Ottawa, Ontario

Ottawa South SmartCentre is a 523,000 square foot shopping centre that is situated on approximately 56 acres at the intersection of Bank Street and Hunt Club Road in Ottawa, Ontario. A 160,000 square foot Wal-Mart Supercentre, a 78,000 square foot Loblaws store, a 39,000 square foot Cineplex Odeon, and a 36,000 square foot Future Shop anchor the site. Other national tenants include Winners, Staples, Chapters, Michaels, Globo Shoes, Mark's Work Wearhouse, Bouclair, CIBC, Boutique Jacob, Bulk Barn, Addition-Elle, and Royal Bank of Canada. Calloway owns a 50% interest in this property.

Owen Sound SmartCentre, 1555 18th Avenue E, Owen Sound, Ontario

Owen Sound SmartCentre is a 158,000 square foot shopping centre that is situated on 20.59 acres on the southeast corner of Highway 26 and 18th Avenue East in Owen Sound, Ontario. The centre is anchored by a 106,000 square foot Wal-Mart Supercentre and is shadow-anchored by a 131,000 square foot Home Depot. Other national tenants include Penningtons, Dollarama, Bonnie Togs, Montana's Cookhouse, Swiss Chalet, Reitmans, Warehouse One, and The Source. An additional 5,000 square feet of future development potential remain on undeveloped lands.

Pembroke SmartCentre, 1108 Pembroke Street E, Pembroke, Ontario

Pembroke SmartCentre is an 11,000 square foot shopping centre that is situated on 2.19 acres at the intersection of Highway 148 and Angus Campbell Drive in Pembroke, Ontario. Boston Pizza and Reitmans are the national tenants operating on the site. The centre is shadow-anchored by a 105,000 square foot Wal-Mart Supercentre and an 83,000 square foot Canadian Tire store.

Pickering SmartCentre, 1899 Brock Road, Pickering, Ontario

Pickering SmartCentre is a 546,000 square foot shopping centre that is situated on 48.34 acres at Highway 401 and Brock Road in Pickering, Ontario. A 147,000 square foot Lowe's, a 128,000 square foot Wal-Mart Supercentre, a 49,000 square foot Sobeys, a 40,000 square foot Toys R Us, and a 30,000 square foot Winners anchor the site. Other national tenants include Petsmart, LCBO, Mark's Work Wearhouse, Tommy Hilfiger, Bonnie Togs, Boston Pizza, Everything for a Dollar, Reitmans, Kelsey's, Fairweather, and Moores. An 82,000 square foot Canadian Tire store operates on lands immediately adjacent to the site.

Renfrew SmartCentre, O'Brien Road, Renfrew, Ontario

Renfrew SmartCentre is a 10,000 square foot shopping centre that is situated on 2.01 acres at O'Brien Road and Wrangler Road in Renfrew, Ontario. National tenants include Mark's Work Wearhouse, Payless Shoesource and First Choice Haircutters. An additional 9,000 square feet of development potential remain on the site. The site is shadow-anchored by a 128,000 square foot Wal-Mart Supercentre and a 35,000 square foot Canadian Tire store.

Rexdale SmartCentre, 2267 Islington Avenue, Etobicoke, Ontario

Rexdale SmartCentre is a 35,000 square foot shopping centre that is situated on at Islington Avenue in Rexdale, Ontario. The site is shadow-anchored by a 126,000 square foot Wal-Mart Supercentre. National tenants include Dollarama, Bank of Nova Scotia, Payless Shoesource, Pet Valu, Sally Beauty Supply, and EB Games.

Richmond Hill SmartCentre, 1070 Major Mackenzie Drive East, Richmond Hill, Ontario

Richmond Hill SmartCentre is a 272,000 square foot shopping centre that is situated on approximately 28.12 acres at the northeast corner of Bayview Avenue & Major Mackenzie Drive East in Richmond Hill, Ontario. The centre is anchored by a 131,000 square foot Wal-Mart Supercentre and a 58,000 square foot Metro. Other national tenants include Shoppers Drug Mart, Rogers Video, Burger King, HSBC Bank Canada, Bank of Montreal, Bonnie Togs, KFC, and Payless Shoesource. Calloway has a 50% interest in this property.

Rockland SmartCentre, 3001 Richelieu Street, Rockland, Ontario

Rockland SmartCentre is a 140,000 square foot shopping centre that is situated at the intersection of Highway 17 and Poupart Road in Rockland, Ontario. The centre is anchored by a 116,000 square foot Wal-Mart Supercentre. Other national tenants include Dollarama, LCBO, Boston Pizza, and EB Games. The site has 7,000 square feet of developable area remaining.

Rutherford Village SmartCentre, 9200 Bathurst Street, Vaughan, Ontario

Rutherford Village SmartCentre is a 104,000 square foot retail shopping centre that is situated on 9.26 acres at the southwest corner of Bathurst Street and Rutherford Road in Vaughan, Ontario. A 49,000 square foot Sobeys anchors the site. Other national tenants include Pharma Plus, TD Canada Trust, Rogers Video, and Tim Hortons.

Sarnia SmartCentre, 1444 Quinn Drive, Sarnia, Ontario

Sarnia SmartCentre is a 318,000 square foot shopping centre at the intersection of Highway 402 and Rodeland Road in Sarnia, Ontario. A 215,000 square foot Wal-Mart Supercentre anchors the site. Other national tenants include Winners, Michaels, Petsmart, Penningtons, Dollarama, Bouclair, and Bonnie Togs. The centre has an additional 61,000 square feet of developable area remaining.

Scarborough (1900 Eglinton) SmartCentre, 1900 Eglinton Avenue East, Scarborough, Ontario

Scarborough (1900 Eglinton) SmartCentre is a 380,000 square foot shopping centre that is situated on approximately 28.40 acres at the northwest corner of Eglinton Avenue East and Warden Avenue in Scarborough, Ontario. The centre is anchored by a 214,000 square foot Wal-Mart Supercentre and a 40,000 square foot Winners. Other major tenants include Mark's Work Wearhouse, LCBO, David's Bridal, Bank of Montreal, The Gap, The Children's Place, Moores, Reitmans, Le Chateau, Ardene, Smart Set, Bath & Body Works, and Payless Shoesource.

Scarborough East SmartCentre (I), 850 Milner Avenue, Scarborough, Ontario

Scarborough East SmartCentre (I) is a 93,000 square foot shopping centre that is situated at the northeast corner of Highway 401 and Morningside Avenue in Scarborough, Ontario. Major tenants include Staples, Mark's Work Wearhouse, Pharmacentre, Swiss Chalet, Everything for a Dollar, and Royal Bank of Canada. Future development potential includes an additional 18,000 square feet. The centre is shadow-anchored by a 112,000 square foot Home Depot store.

Scarborough East SmartCentre (II), 799 Milner Ave. Scarborough, Ontario

Scarborough East SmartCentre (II) is a 282,000 square foot shopping centre that is situated on 21.71 acres at Morningside Avenue and Highway 401 in Scarborough, Ontario. A 181,000 square foot Wal-Mart Supercentre and a 44,000 square foot Cineplex Odeon anchor the site. Other national tenants include LCBO, Meridian Credit Union, Reitmans, Boston Pizza, Sleep Country, Kelsey's, Penningtons, and Payless Shoesource.

St. Catharines West SmartCentre (I), 420 Vansickle Road, St. Catharines, Ontario

St. Catharines West SmartCentre (I) is a 402,000 square foot shopping centre that is situated on 44.24 acres on the southeast corner of Fourth Avenue and Vansickle Road in St. Catharines, Ontario. The centre is anchored by a 167,000 square foot Wal-Mart Supercentre, a 32,000 square foot Designer Depot, a 32,000 square foot Home Outfitters, and a 31,000 square foot Best Buy. Also anchoring the centre as shadows are a 75,000 square foot Canadian Tire store and a 107,000 square foot Real Canadian Superstore. Other national tenants include LCBO, Dollar Giant, Petsmart, Addition-Elle, Mark's Work Wearhouse, Reitmans, Bonnie Togs, Swiss Chalet, Moores, Hallmark, La Senza, and Sleep Country.

St. Catharines West SmartCentre (II), 275 Fourth Avenue, St. Catharines, Ontario

St. Catharines West SmartCentre (II) is a 111,000 square foot shopping centre that is situated on 11.14 acres at the intersection of Fourth Avenue (north side) and Louth Street in St. Catharines, Ontario. The centre is anchored by a 35,000 square foot The Brick store. Other national tenants include Michaels, Shoppers Drug Mart, Golf Town, Bouclair, Bulk Barn, and Wendy's. An additional 9,000 square feet of development potential remain. Directly across Fourth Avenue (on the south side) is St. Catharines West SmartCentre (I).

St. Thomas SmartCentre, 1063 Talbot Street, St. Thomas, Ontario

St. Thomas SmartCentre is a 223,000 square foot shopping centre that is situated on 48.46 acres at the intersection of First Avenue and Talbot Street in St. Thomas, Ontario. A 139,000 square foot Wal-Mart Supercentre anchors the site. Other major tenants include Staples, Dollar Giant, King's Buffet, Mark's Work Wearhouse, Ardene, Wendy's, and The Source. Shadow anchors include a 117,000 square foot Real Canadian Superstore and a 72,000 square foot Canadian Tire store.

Stouffville SmartCentre, 1050 Hoover Park Drive, Stouffville, Ontario

Stouffville SmartCentre is a 163,000 square foot shopping centre that is situated at the main intersection of Highway 48 and Main Street in Stouffville, Ontario. A 69,000 square foot Canadian Tire store anchors the site. Adjacent to the property is a 163,000 square foot Wal-Mart Supercentre. Other national tenants include Winners, Staples, Dollarama, Bouclair, Boston Pizza, Bulk Barn, Reitmans, and Tim Hortons. The site has 438,000 square feet of developable area remaining.

Sudbury South SmartCentre, Sudbury, Ontario

Sudbury South SmartCentre is a 232,000 square foot shopping centre that is situated at Long Lake Road and Country Side Road. A 184,000 square foot Wal-Mart Supercentre anchors the site. National tenants include LCBO, Marks Work Wearhouse, Dollarama and Bouclair. There is 1,000 square feet of remaining development potential at this centre.

Toronto Eastern, Toronto, Ontario

Toronto SmartCentre is a development property that is situated on approximately 18.47 acres at the intersection of Eastern Avenue and Leslie Street in Toronto, Ontario. The site has 120,000 square feet of developable area. Calloway owns a 50% interest in this property.

Toronto Stockyards SmartCentre, 2471 St. Clair Avenue West, Toronto, Ontario

Toronto Stockyards SmartCentre is a 9,000 square foot retail centre that is situated at the intersection of St. Clair Avenue West and Runnymede Road in Toronto, Ontario. The site is shadow-anchored by a 128,000 square foot Wal-Mart store. National tenants include Bank of Montreal, Citifinancial and EB Games.

Vaughan SmartCentre, 101 Edgeley Boulevard, Vaughan, Ontario

Vaughan SmartCentre is currently a 270,000 square foot shopping centre that is situated on 47.59 acres at Highway 7 and Jane Street in Vaughan, Ontario. A 195,000 square foot Wal-Mart Supercentre anchors the site. National tenants include Future Shop and Home Outfitters. This property is being repositioned as a retail, residential and office mixed-use asset as part of the Vaughan Metropolitan Centre. The subway terminal is currently under construction.

Welland SmartCentre, 102 Primeway Drive, Welland, Ontario

Welland SmartCentre is a 241,000 square foot shopping centre that is situated on 26.31 acres at the intersection of Highway 406 and Woodlawn Road in Welland, Ontario. A 136,000 square foot Wal-Mart Supercentre and a 53,000 square foot Rona anchor the site and a 99,000 square foot Canadian Tire store shadow-anchors the site. Other national tenants include Mark's Work Wearhouse and Dollar Giant. Future development potential is an additional 117,000 square feet.

Westgate SmartCentre, 3155 Argentia Road, Mississauga, Ontario

Westgate SmartCentre is a 603,000 square foot shopping centre that is situated on Winston Churchill Boulevard and Highway 401 in Mississauga, Ontario. A 129,000 square foot Wal-Mart Supercentre, a 125,000 square foot Rona, a 51,000 square foot Toys R Us, a 40,000 square foot Home Outfitters, and a 30,000 square foot Winners anchor the site. A 115,000 square foot Real Canadian Superstore also shadow-anchors the site. Other national tenants include Staples, Michaels, Mark's Work Wearhouse, Petsmart, Pier 1 Imports, Danier Leather, Urban Barn, Moores, The Keg, and TD Canada Trust. An additional 88,000 square feet of development potential remain on the site. Toys R Us, The Keg and TD Canada Trust are on a portion of the lands where Calloway owns a 50% interest.

Westside Mall, 2400 Eglinton Avenue W, Toronto, Ontario

Westside Mall is a 144,000 square foot shopping centre that is situated on Eglinton Avenue West in Toronto, Ontario. A 75,000 square foot Canadian Tire store and a 35,000 square foot Freshco anchor the site. Other national tenants include Shoppers Drug Mart, Rogers Video and CIBC.

Whitby North SmartCentre, 4100 Baldwin Street S, Whitby, Ontario

Whitby North SmartCentre is a 233,000 square foot shopping centre that is situated on 24.87 acres at the intersection of Baldwin Street South and Taunton Road West in Whitby, Ontario. A 133,000 square foot Wal-Mart store anchors the site. Other national tenants include Mark's Work Wearhouse, LCBO, Bank of Nova Scotia, East Side Mario's, Everything for a Dollar, 2001 Audio Video, Bulk Barn, TD Canada Trust, Hallmark, Wendy's, Tim Hortons, Grand & Toy, Payless Shoesource, and The Source. The site can accommodate a 35,000 square foot expansion of the Wal-Mart store. A 149,000 square foot Real Canadian Superstore operates on lands immediately adjacent to the site.

Whitby Northeast SmartCentre, 4100 Baldwin Street S, Whitby, Ontario

Whitby Northeast SmartCentre is a 27,000 square foot shopping centre that is situated at the intersection of Brock Street and Taunton Road in Whitby, Ontario. Major tenants include Boston Pizza, Royal Bank of Canada, Sgt. Pepper's, and Bell World. An additional 29,000 square feet of development potential remain.

Windsor South SmartCentre, 3120 Dougall Avenue, Windsor, Ontario

Windsor South SmartCentre is a 231,000 square foot shopping centre that is situated on 17.89 acres at the southeast quadrant of E.C. Row Expressway and Dougall Avenue in Windsor, Ontario. A 129,000 square foot Wal-Mart Supercentre anchors the centre. Other national tenants include Part Source, Dollarama, Super Pet, Moores, The Beer Store, CIBC, and Payless Shoesource. An additional 2,000 square feet of developable area remain.

Woodbridge SmartCentre, 3900 Highway 7, Woodbridge, Ontario

Woodbridge SmartCentre is a 434,000 square foot shopping centre that is situated on 37 acres at the intersection of Weston Road and Highway 7 in Woodbridge, Ontario. A 31,000 square foot Best Buy store and a 30,000 square foot Toys R Us anchor the site. Other national tenants include Chapters, Michaels, Sport Chek, CIBC, LCBO, Mark's Work Wearhouse, Globo Shoes, Laura's Shoppe, Bouclair, Bonnie Togs, Pier 1 Imports, Danier Leather, Reitmans, and Penningtons. Shadow anchors include a 75,000 square foot Canadian Tire store and a 67,000 square foot Fortinos. Calloway owns a 50% interest in this property.

Woodstock SmartCentre, 499 Norwich Avenue, Woodstock, Ontario

Woodstock SmartCentre is a 257,000 square foot shopping centre that is situated on 19.39 acres at the northeast corner of Norwich Avenue and Juliana Drive in Woodstock, Ontario. The centre is anchored by a 170,000 square foot Wal-Mart Supercentre. Other national tenants include Staples, Mark's Work Wearhouse, Bonnie Togs, Reitmans, Dollar Giant, Montana's Cookhouse, Penningtons, McDonald's, and The Source. The centre is shadow-anchored by a 93,000 square foot Canadian Tire store. An additional 21,000 square feet of developable area remain.

Québec

Hull SmartCentre, 35 Boulevard du Plateau, Hull, Quebec

Hull SmartCentre is a 296,000 square foot shopping centre that is situated at Boulevard du Plateau and Rue de la Montagne in Hull, Quebec. A 106,000 square foot Wal-Mart store and a 30,000 square foot Winners anchor the site. Other national tenants include Staples, Bouclair, Sports Experts, L'Equipeur, SAQ, Sleep Country, Addition-Elle, Reitmans, Moores, Danier Leather, Bank of Nova Scotia, and TD Canada Trust. A 45,000 square foot expansion of the Wal-Mart store can be accommodated on the site. Shadow anchors include a 101,000 square foot Rona, an 82,000 square foot Cineplex Odeon and a 45,000 square foot Super C grocery store. Calloway owns a 49.9% interest in this property.

Kirkland SmartCentre, 17000 Route Transcanadienne, Kirkland, Quebec

Kirkland SmartCentre is a 207,000 square foot shopping centre at the intersection of Boulevard St. Charles and Route Transcanadienne in Kirkland, Quebec. A 132,000 square foot Wal-Mart store and a 70,020 square foot The Brick anchor the site.

Laval East SmartCentre, 5205 Boulevard de Val-des-Brises, Laval, Quebec

Laval East SmartCentre is a 499,000 square foot shopping centre at the intersection of Autoroute 440 and Autoroute 19 in Laval, Quebec. A 163,000 square foot Wal-Mart Supercentre, a 129,000 square foot Canadian Tire and a 49,000 square foot IGA anchor the site. Other national tenants include Winners, Bouclair, Sports Experts, Dollarama, SAQ, La Senza, Bank of Nova Scotia, Boston Pizza, Dormez-Vous, Reitmans, and TD Canada Trust. The centre has an additional 300,000 square feet of developable area remaining.

Laval West SmartCentre, 700 Autoroute Chomedey O, Laval, Quebec

Laval West SmartCentre is a 588,000 square foot shopping centre at the intersection of Autoroute Chomedey and Boulevard Samson in Laval, Quebec. A 155,000 square foot Wal-Mart Supercentre, a 125,000 square foot Rona, a 34,000 square foot Home Outfitters, and a 34,000 square foot Future Shop anchor the site. Other major tenants include Archambault, Staples, Uniprix, Caisse Populaire Desjardins, Bouclair, L'Equipeur, Nature Pet Centre, Dollarama, Pier 1 Imports, Intersport, Globo Shoes, and Moores. Shadow anchors include an 84,000 square foot Canadian Tire store and a 40,000 square foot IGA.

Magog SmartCentre, 55 Rue Sherbrooke Magog, Quebec

Magog SmartCentre is a 102,000 square foot shopping centre that is situated at the intersection of Sherbrooke Street and Pomerleau Street in Magog, Quebec. The site is anchored by a 102,000 square foot Wal-Mart store. A 60,000 square foot Canadian Tire also shadow anchors the site. The centre has an additional 77,000 square feet of developable area remaining.

Mascouche SmartCentre, 155 Montee Masson, Mascouche, Quebec

Mascouche SmartCentre is a 408,000 square foot shopping centre that is situated on 38.10 acres on the northwest interchange corner of Autoroute 640 and Autoroute 25 in the Montreal suburb of Mascouche, Quebec. The centre is anchored by a 147,000 square foot Wal-Mart Supercentre, a 45,000 square foot IGA and a 40,000 square foot Home

Outfitters. A 120,000 square foot Rona also shadow-anchors the site. Other national tenants include Winners, Staples, Future Shop, Bouclair, L'Equipeur, La Senza, Reitmans, Dormez-Vous, Claire France, Smart Set, Marie Claire, Moores, Penningtons, Tim Hortons, and HSBC Bank Canada.

Montreal (Decarie) SmartCentre, 5400 Rue Jean Talon O, Montreal, Quebec

Montreal (Decarie) SmartCentre is a 225,000 square foot shopping centre that is situated on 24.54 acres at Rue Jean Talon and Boulevard Decarie in Montreal, Quebec. A 128,000 square foot Wal-Mart store anchors the site. Other major tenants include L'Equipeur, Baton Rouge, Tim Hortons, Roots, and Sleep Country. An additional 43,000 square feet of developable area remain and the site can accommodate a 74,000 square foot expansion of the Wal-Mart store. Calloway owns a 50% interest in this property.

Montreal North SmartCentre, 6140 Boulevard Henri Bourassa, Montreal, Quebec

Montreal North SmartCentre is a 258,000 square foot shopping centre that is situated on 23.24 acres at Boulevard Henri Bourassa and Boulevard Lacordaire in Montreal, Quebec. A 129,000 square foot Wal-Mart store and a 45,000 square foot IGA anchor the site. Other national tenants include Winners, Dollarama, Dormez-Vous, Reitmans, TD Canada Trust, Burger King, Tim Hortons, and Payless Shoesource. An additional 26,000 square feet of development potential remain on the site.

Place Bourassa Mall, 6000 boulevard. Henri Bourassa Est, Montreal, Quebec

Place Bourassa is a 278,000 square foot enclosed shopping centre that is situated at the intersection of Boulevard Henri-Bourassa Est and Boulevard Lacordaire in Montreal, Quebec. A 128,000 square foot Zellers and a 43,000 square foot Super C grocery store anchor the shopping centre. Other major tenants include Pharmaprix, L'Aubainerie, SAQ, Yellow, Ardene, Le Grenier, and The Source.

Rimouski SmartCentre, 415 Montee Industrielle-et-Commerciale, Rimouski, Quebec

Rimouski SmartCentre is a 244,000 square foot shopping centre that is situated on 35.28 acres at the intersection of Montee Industrielle-et-Commerciale and 2ieme Rue Est in Rimouski, Quebec. A 127,000 square foot Wal-Mart store anchors the site. Other major tenants include Winners, Future Shop, SAQ, Clement, Scores, L'Equipeur, Reitmans, Penningtons, Yellow, Marie Claire, and Ardene. A 65,000 square foot expansion of the Wal-Mart store can be accommodated. Shadow anchors include a 75,000 square foot Tanguay and a 44,000 square foot Super C grocery store.

Saint-Constant SmartCentre, 500 Voie de Desserte, rue NR 132, Saint-Constant, Quebec

Saint-Constant SmartCentre is a 305,000 square foot shopping centre that is situated on 40.76 acres at the intersection of Route 132 and Rue Macon in Saint-Constant, Quebec. A 123,000 square foot Wal-Mart store and a 45,000 square foot Super C grocery store anchor the site. Other major tenants include Concept Mode, L'Equipeur, Dollarama, Scores, Marie Claire, Royal Bank of Canada, Penningtons, Claire France, Reitmans, Smart Set, Dormez-Vous, and Le Grenier. An additional 20,000 square feet of development potential remain on the site and an additional 65,000 square foot expansion of the Wal-Mart store can be accommodated. A 95,000 square foot Home Depot operates on lands immediately adjacent to the site.

Saint-Jean SmartCentre, 100 Rue Omer-Marcil, Saint-Jean, Quebec

Saint-Jean SmartCentre is a 202,000 square foot shopping centre that is situated on 29.06 acres on the northeast corner of Rue Pierre-Caisse and Rue Bernier in Saint-Jean, Quebec. The centre is anchored by a 127,000 square foot Wal-Mart store and shadow-anchored by an 80,000 square foot Maxi grocery store. Other national tenants include L'Equipeur, Bouclair, Reitmans, Penningtons, Dormez-Vous, TD Canada Trust, Caisse Populaire Desjardins, Yellow, and Tim Hortons. The centre has an additional 18,000 square feet of developable area remaining and can accommodate a 65,000 square foot expansion of the Wal-Mart store.

Saint-Jerome SmartCentre, 1030 Boulevard Du Grand-Heron, Saint-Jerome, Quebec

Saint-Jerome SmartCentre is a 141,000 square foot shopping centre that is situated on 17.70 acres at Boulevard Jean-Baptiste-Rolland & Rue Brière in Saint-Jerome, Quebec. A 45,000 square foot IGA anchors the site. Other national tenants include Future Shop, Bouclair, Dollarama, La Cage Aux Sports, Boston Pizza, Addition-Elle, TD Canada Trust, Marie Claire, Claire France, Le Grenier, and Smart Set. An additional 22,000 square feet of development potential remain on the site. A 128,000 square foot Wal-Mart store and a 119,000 square foot Home Depot operates on lands adjacent to the site.

Sherbrooke SmartCentre, 4050 Boulevard Josphat-Rancourt, Sherbrooke, Quebec

Sherbrooke SmartCentre is a 211,000 square foot shopping centre that is situated on approximately 28.40 acres at the northeast corner of Highway 10 and Highway 410 in Sherbrooke, Quebec. The centre is anchored by a 134,000 square foot Wal-Mart store and a 30,000 square foot The Brick. A 95,000 square foot Home Depot and a 75,000 square foot Canadian Tire store also shadow-anchor the site. Other major tenants include Best Buy, Mark's Work Wearhouse and TD Canada Trust. The site can accommodate a 65,000 square foot expansion of the Wal-Mart store.

Valleyfield SmartCentre, 2050 Boulevard Monseigneur-Langlois, Salaberry de Valleyfield, Quebec

Valleyfield SmartCentre is a 162,000 square foot shopping centre that is situated on 17.95 acres on the southwest corner of Boulevard Monseigneur-Langlois and Rue Fabre in the Montreal suburb of Salaberry de Valleyfield, Quebec. A 107,000 square foot Wal-Mart store anchors the site. Other major tenants include Dollarama, SAQ, Reitmans, Claire France, Marie Claire, Yellow, McDonald's, KFC, Lemercier, Tim Hortons and The Source. The site can accommodate a 45,000 square foot expansion of the Wal-Mart store.

Victoriaville SmartCentre, Victoriaville, Quebec

Victoriaville SmartCentre is a 28,000 square foot shopping centre that is situated on approximately 4.93 acres at the northeast corner of Boulevard Jutrus E & Boulevard Bois-Francs Sud in Victoriaville, Quebec. A Winners and Reitmans are located on the site. Shadow anchors include a 127,000 square foot Wal-Mart, a 85,000 square foot Home Depot and a 44.000 square foot Maxi grocery store. Developable area remaining is 12,000 square feet.

New Brunswick

Fredericton North SmartCentre, Fredericton, New Brunswick

Fredericton North SmartCentre is a development property that is situated at the intersection of Two Nations Crossing and St. Mary's Street in Fredericton, New Brunswick. The site has 51,000 square feet of developable area. A 123,000 square foot Wal-Mart store, a 72,000 square foot Canadian Tire store and a 40,000 Kent Building Supplies store shadow-anchors the site.

Saint John SmartCentre, 450 Westmoreland Road, Saint John, New Brunswick

Saint John SmartCentre is a 272,000 square foot shopping centre that is situated on 24.66 acres at the northwest corner of Westmoreland Road and McAllister Drive in Saint John, New Brunswick. A 128,000 square foot Wal-Mart store and a 45,000 square foot Winners anchor the site. Other national tenants include Future Shop, Old Navy, Pier 1 Imports, Swiss Chalet, Addition-Elle, Reitmans, and CIBC. A 102,000 square foot Kent Building Supplies store and an 80,000 square foot Canadian Tire store shadow-anchor the centre.

Nova Scotia

Bridgewater SmartCentre, New Pine Grove Road, Bridgewater, Nova Scotia

Bridgewater SmartCentre is a 47,000 square foot shopping centre that is situated on 15.27 acres at New Pine Grove Road and Route 10 in Bridgewater, Nova Scotia. National tenants include Staples, Boston Pizza, Swiss Chalet, Reitmans, PJ's Pets, EasyHome, Payless Shoesource, and EB Games. An additional 21,000 square feet of development potential remain on the site. Shadow anchors include an 81,000 square foot Wal-Mart store and a 72,000 square foot Canadian Tire store.

Halifax Bayers Lake Centre, 194 Chain Lake Drive, Halifax, Nova Scotia

Halifax Bayers Lake Centre is a 168,000 square foot shopping centre that is situated on Chain Lake Drive in Halifax, Nova Scotia. A 35,000 square foot Future Shop anchors the site. Shadow anchors include a 100,000 square foot Zellers store and an 80,000 square foot Atlantic Superstore. Other major tenants include Winners, Cleve's Warehouse Sporting Goods, Bouclair, The Shoe Company, Addition-Elle, Roots, Gap Outlet, Danier Leather, Laura's Shoppe, Reitmans, Montana's Cookhouse, and Moores.

New Minas SmartCentre, 9121 Commercial Street, New Minas, Nova Scotia

New Minas SmartCentre is a 46,000 square foot shopping centre that is situated on 4.26 acres at the northwest corner of Commercial Street and Jones Road in New Minas, Nova Scotia. The centre is shadow-anchored by a 109,000 square foot Wal-Mart store. National tenants include Sport Chek, Mark's Work Wearhouse, Bulk Barn, Bank of Nova Scotia, PJ's Pets, and EB Games.

Truro SmartCentre, 140 Wade Road, Truro, Nova Scotia

Truro SmartCentre is a 124,000 square foot shopping centre that is situated on 27.06 acres on the northeast corner of Highway 102 and McClures Mill Connection in Truro, Nova Scotia. The centre is anchored by a 106,000 square foot Wal-Mart store. Other national tenants include Stitches, Reitmans and Penningtons. The centre has an additional 18,000 square feet of developable area remaining and can accommodate a 45,000 square foot expansion to the Wal-Mart store. A 60,000 square foot Kent Building Supplies is adjacent to the site.

Prince Edward Island

Charlottetown SmartCentre, 80 Buchanan Drive, Charlottetown, Prince Edward Island

Charlottetown SmartCentre is a 197,000 square foot shopping centre that is situated on 30.66 acres on University Avenue in Charlottetown, Prince Edward Island. A 104,000 square foot Wal-Mart store anchors the centre. Other national tenants include Michaels, Future Shop, Old Navy, The Children's Place, PJ's Pets, Hallmark, and La Senza. An additional 28,000 square feet of developable area remain. The site can also accommodate a 30,000 square foot expansion of the Wal-Mart store. Shadow anchors include a 90,000 square foot Canadian Tire store, an 80,000 square foot Home Depot and a 60,000 square foot Sobeys.

Newfoundland & Labrador

Corner Brook SmartCentre, 16 Murphy Square, Corner Brook, Newfoundland & Labrador

Corner Brook SmartCentre is a 179,000 square foot shopping centre that is situated on 14.92 acres on the northeast corner of St. Mark's Avenue and Lewin Parkway in Corner Brook, Newfoundland. The centre is anchored by a 106,000 square foot Wal-Mart store. Other national tenants include Staples, Mark's Work Wearhouse, Sunlife, Buck or Two, Bulk Barn, EasyHome, and Tim Hortons. Shadow anchors include a 75,000 square foot Canadian Tire store and a 60,000 square foot Dominion grocery store.

Gander SmartCentre, 55 Roe Avenue, Gander, Newfoundland & Labrador

Gander SmartCentre is a 26,000 square foot shopping centre that is situated on approximately 23.61 acres at the intersection of Cooper Boulevard and Roe Avenue in Gander, Newfoundland. The site is shadow-anchored by an 88,000 square foot Wal-Mart store and a 40,000 square foot Kent store. Other national tenants include Bank of Nova Scotia, Buck or Two, Penningtons, EasyHome, and The Source. The centre has an additional 27,000 square feet of developable area remaining.

Mount Pearl SmartCentre, 60 Merchant Drive, Mount Pearl, Newfoundland & Labrador

Mount Pearl SmartCentre is a 265,000 square foot shopping centre that is situated on 28.93 acres at the northwest corner of Pitts Memorial Drive and Ruby Line in St. John's, Newfoundland. A 131,000 square foot Wal-Mart store and a 30,000 square foot Staples anchor the site. Other major tenants include Nubody's Fitness, Mark's Work Wearhouse, Only Deals Dollar Store, CIBC, Reitmans, The Shoe Company, Penningtons, EasyHome, Hallmark, Tim Hortons, and The Source. An additional 2,000 square feet of developable area remain. The site can accommodate a 30,000 square foot expansion of the Wal-Mart store. Shadow anchors include an 83,000 square foot Canadian Tire store and an 82,000 square foot Dominion grocery store.

Pearlgate SmartCentre, 10 Gibson Drive, Mount Pearl, Newfoundland & Labrador

Pearlgate SmartCentre is a 43,000 square foot shopping centre that is situated on 4.17 acres at the southwest corner of Old Placentia Road and Ruby Line in Mount Pearl, Newfoundland & Labrador. National tenants include Shoppers Drug Mart, Rogers Video, Bulk Barn, TD Canada Trust, and Pets Unlimited. Adjacent to the site is Calloway's Mount Pearl SmartCentre.

St. John's Central SmartCentre, 9 Kelsey Drive, St. John's, Newfoundland & Labrador

St. John's Central SmartCentre is a 141,000 square foot shopping centre that is situated on 17.28 acres at Kelsey Drive and Kenmount Road in St. John's, Newfoundland. A 48,000 square foot IGA anchors the centre. Other national tenants include Staples, Mark's Work Wearhouse, Sobeys Liquor Outlet, Boston Pizza, Moores, Pets Unlimited, and The Source. An additional 22,000 square feet of developable area remain. Shadow anchors include a 134,000 square foot Wal-Mart store, a 106,000 square foot Home Depot and a 71,000 square foot Canadian Tire store.

St. John's East SmartCentre, 90 Aberdeen Avenue, St. John's, Newfoundland & Labrador

St. John's East SmartCentre is a 366,000 square foot shopping centre that is situated on 31.27 acres at the intersection of Stavanger Drive and Torbay Road in St. John's, Newfoundland. A 128,000 square foot Wal-Mart store anchors the site and an 80,000 square foot Dominion grocery store shadow-anchors the site. Other national tenants include Winners, Staples, Future Shop, Michaels, Old Navy, Sport Chek, Addition-Elle, Mark's Work Wearhouse, Pier 1 Imports, Pets Unlimited, Bowring, Reitmans, Buck or Two, Swiss Chalet, The Shoe Company, and Smart Set.

DECLARATION OF TRUST AND DESCRIPTION OF UNITS

General

Calloway is an unincorporated open-end real estate investment trust established by the Declaration of Trust and governed by the laws of the Province of Alberta.

Authorized Capital

The Declaration of Trust authorizes the issuance of an unlimited number of two classes of units: Units and Special Voting Units. As of December 31, 2011, Calloway had 107,251,379 Units and 17,487,580 Special Voting Units outstanding for a total of 124,738,959 outstanding Voting Units.

Units

An unlimited number of Units may be created and issued pursuant to the Declaration of Trust. The Declaration of Trust provides that Units or rights to acquire Units may be issued at times, to the persons, for the consideration and on the terms and conditions that the Trustees determine. Each Unit represents an equal fractional undivided beneficial interest in any distributions from, and in any net assets of, Calloway in the event of termination or winding-up of Calloway. All Units are of the same class with equal rights and privileges. Each Unit is transferable, entitles the holder thereof to participate equally in distributions, including the distributions of net income and net realized capital gains of Calloway and distributions on liquidation, is fully paid and non-assessable and entitles the holder thereof to one vote at all meetings of Unitholders for each Unit held.

The Units do not represent a traditional investment and should not be viewed by investors as “shares” in Calloway. As holders of Units in Calloway, the Unitholders do not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions.

The Units are not “deposits” within the meaning of the Canada Deposit Insurance Corporation Act (Canada) and are not insured under the provisions of that act or any other legislation. Furthermore, Calloway is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Special Voting Units

An unlimited number of Special Voting Units may be created and issued pursuant to the Declaration of Trust. Special Voting Units may be issued by Calloway from time to time which shall entitle the holder of an Exchangeable Security to such number of votes at meetings of Voting Unitholders as is equal to the number of Units into which such Exchangeable Security (other than an Exchangeable Security owned by Calloway or any subsidiary of Calloway) is then exchangeable or convertible for. For greater certainty, holders of Special Voting Units shall not be entitled, by virtue of their holding of Special Voting Units, to distributions of any nature whatsoever from Calloway nor shall they have any beneficial interest in any assets of Calloway on termination or winding up of Calloway. Special Voting Units are not separately transferable from the Exchangeable Security to which they relate and are automatically redeemed and cancelled upon the exercise or conversion of such Exchangeable Security.

Notwithstanding the foregoing, if in any given 365 day period prior to July 1, 2015, the average weighted aggregate number of Special Voting Units plus Units held or controlled by SmartCentres is equal to or greater than the lesser of 20,000,000 or 20% of the aggregate issued and outstanding Units plus Special Voting Units, then so long as Mr. Mitchell Goldhar remains a Trustee and SmartCentres directly or indirectly beneficially own or control less than 25% of the voting rights attached to all voting securities of Calloway, Calloway shall issue such number of additional Special Voting Units which will entitle SmartCentres to cast 25% of the votes attached at a meeting of the holders of Voting Units.

Exchangeable Securities and Other Convertible Securities

Calloway LP

Calloway LP, a subsidiary of Calloway, is a limited partnership formed under the laws of the Province of Alberta and governed by the Calloway LP Agreement.

Calloway LP may issue an unlimited number of (i) LP Class A Units, (ii) LP Class B Series 1 Units, (iii) LP Class B Series 2 Units, (iv) LP Class B Series 3 Units, (v) LP Class C Series 1 Units, (vi) LP Class C Series 2 Units, (vii) LP Class C Series 3 Units, (viii) LP Class D Series 1 Units, (ix) LP Class D Series 2 Units, (x) LP Class E Series 1 Units, (xi) LP Class E Series 2 Units, and (xii) LP Class F Series 3 Units may be issued.

Holders of units of any series of class B and class C units of the partnership are considered to be general partners for the purposes of the Partnership Act (Alberta) while holders of all other classes of units are considered to be limited partners for the purposes of the Partnership Act (Alberta). There shall be no restriction on the number of partnership units that a partner may hold in Calloway LP. No fractional partnership units will be issued and no person shall have any rights to receive fractional partnership units or to receive cash in lieu of the issue of a fraction of a partnership unit.

Holders of (i) LP Class A Units, (ii) LP Class B Series 1 Units, (iii) LP Class B Series 2 Units, (iv) LP Class B Series 3 Units, (v) LP Class D Series 1 Units and (vi) LP Class D Series 2 Units are entitled to notice of, and to attend and vote at, meetings of partners of Calloway LP. Holders of (i) LP Class C Series 1 Units, (ii) LP Class C

Series 2 Units, (iii) LP Class C Series 3 Units, (iv) LP Class E Series 1 Units, (v) LP Class E Series 2 Units and (vi) LP Class F Series 3 Units are entitled to notice of, and to attend, meetings of partners of Calloway LP but are not entitled to vote thereat. At meetings of partners of Calloway LP, the holders of LP Class A Units shall have 20 votes for each LP Class A Unit held, the holders of (i) LP Class B Series 1 Units, (ii) LP Class B Series 2 Units, (iii) LP Class D Series 1 and (iv) LP Class D Series 2 Units shall have 1 vote for each such partnership unit held, and the holders of (i) LP Class C Series 1 Units, (ii) LP Class C Series 2 Units, (iii) LP Class C Series 3 Units, (iv) LP Class E Series 1 Units, (v) LP Class E Series 2 Units and (vi) LP Class F Series 3 Units shall have no votes for each such partnership unit held.

Holders of LP Class C Series 1 Units are entitled to exchange their LP Class C Series 1 Units in consideration for LP Class B Series 1 Units and/or cash pursuant to and subject to the terms and conditions set out in the Exchange Agreement 5. Holders of LP Class B Series 1 Units are entitled to exchange their LP Class B Series 1 Units in consideration for Units pursuant to and subject to the terms and conditions set out in the Exchange Agreement 5.

Holders of LP Class C Series 2 Units are entitled to exchange their LP Class C Series 2 Units in consideration for LP Class B Series 2 Units and/or cash pursuant to and subject to the terms and conditions set out in the Exchange Agreement 7. Holders of LP Class B Series 2 Units are entitled to exchange their LP Class B Series 2 Units in consideration for Units pursuant to and subject to the terms and conditions set out in the Exchange Agreement 7.

Holders of LP Class C Series 3 Units are entitled to exchange their LP Class C Series 3 Units in consideration for LP Class F Series 3 Units and/or cash pursuant to and subject to the terms and conditions set out in the Calloway LP Agreement and in Exchange Agreement 9. Holders of LP Class F Series 3 Units are entitled to exchange their LP Class F Series 3 Units in consideration for LP Class B Series 1 Units and/or cash pursuant to and subject to the terms and conditions set out in the Calloway LP Agreement and in Exchange Agreement 9. Holders of LP Class B Series 1 Units are entitled to exchange their LP Class B Series 1 Units in consideration for Units pursuant to and subject to the terms and conditions set out in the Exchange Agreement 5.

Holders of LP Class E Series 1 Units are entitled to exchange their LP Class E Series 1 Units in consideration for LP Class D Series 1 Units and/or cash pursuant to and subject to the terms and conditions set out in the Exchange Agreement 5 and the Calloway LP Agreement. Holders of LP Class D Series 1 Units are entitled to exchange their LP Class D Series 1 Units in consideration for Units pursuant to and subject to the terms and conditions set out in the Exchange Agreement 5 and the Calloway LP Agreement.

Holders of LP Class E Series 2 Units are entitled to exchange their LP Class E Series 2 Units in consideration for LP Class D Series 2 Units and/or cash pursuant to and subject to the terms and conditions set out in the Exchange Agreement 7 and the Calloway LP Agreement. Holders of LP Class D Series 2 Units are entitled to exchange their LP Class D Series 2 Units in consideration for Units pursuant to and subject to the terms and conditions set out in the Exchange Agreement 7 and the Calloway LP Agreement.

Subject to the restrictions contained in the Calloway LP Agreement and subject to the prior written consent of the majority general partner (i.e. Calloway GP Inc., a subsidiary of Calloway), partnership units may be transferred by a partner. The majority general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non Resident or a partnership that is not a "Canadian partnership" within the meaning of the Tax Act and in certain of other circumstances.

The class B and class D units of Calloway LP are considered to be economically equivalent to Units and, accordingly, have been presented as equity in the consolidated financial statements of Calloway. A holder of a class B unit or a class D unit, of any series, of Calloway LP, is entitled to receive a cash distribution in an amount equal to the amount that Calloway would have distributed to such holder if each such unit owned by such holder were a Unit of Calloway. Further, a holder of a class B unit or a class D unit, of any series, of Calloway LP is entitled to receive one Special Voting Unit for each such unit held which Special Voting Unit entitles the holder thereof, so long as the corresponding class B or Class D unit of Calloway LP is outstanding, to one vote at each meeting of Unitholders of Calloway.

As of December 31, 2011, there were (i) 3,133,698 LP Class A Units, (ii) 14,019,830 LP Class B Series 1 Units, (iii) 789,444 LP Class B Series 2 Units, (iv) 720,432 LP Class B Series 3 Units, (v) 5,968,902 LP Class C Series 1 Units,

(vi) 3,350,000 LP Class C Series 2 Units, (vii) 715,773 LP Class C Series 3 Units, (viii) 311,022 LP Class D Series 1 Units, (ix) nil LP Class D Series 2 Units, (x) 16,704 Class E Series 1 Units, (xi) 800,000 Class E Series 2 Units and (xii) nil LP Class F Series 3 Units issued and outstanding. As of December 31, 2011, Calloway owned 1 LP Class A Unit and Calloway Holdings Trust owned the remaining 3,133,697 outstanding LP Class A Units while others own all of the other outstanding Calloway LP partnership units.

Calloway LP II

Calloway LP II, a subsidiary of Calloway, is a limited partnership formed under the laws of the Province of Alberta pursuant to the Calloway LP II Agreement.

Calloway LP II may issue an unlimited number of LP II Class A Units and LP II Class B Units. There shall be no restriction on the number of partnership units that a partner may hold in Calloway LP II. No fractional partnership units will be issued and no person shall have any rights to receive fractional partnership units or to receive cash in lieu of the issue of a fraction of a partnership unit.

Holders of LP II Class A Units and LP II Class B Units are entitled to notice, of and to attend and vote at, meetings of partners of Calloway LP II. At meetings of partners of Calloway LP II, the holders of LP II Class A Units shall have 5 votes for each LP II Class A Unit held and the holders of the LP II Class B Units shall have 1 vote for each LP II Class B Unit held.

Subject to the restrictions contained in the Calloway LP II Agreement and subject to the prior written consent of the general partner (i.e. Calloway LP II Inc., a subsidiary of Calloway), partnership units may be transferred by a partner. The general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non Resident or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act and in certain of other circumstances.

The LP II Class B Units are considered to be economically equivalent to Units and, accordingly, have been presented as equity in the consolidated financial statements of Calloway. A holder of a LP II Class B Unit is entitled to receive a cash distribution in an amount equal to the amount that Calloway would have distributed to such holder if each such unit owned by such holder were a Unit of Calloway. Further, a holder of a LP II Class B Unit is entitled to receive one Special Voting Unit for each such unit held which Special Voting Unit entitles the holder thereof, so long as the corresponding LP II Class B Unit is outstanding, to one vote at each meeting of Unitholders of Calloway.

Holders of LP II Class B Units are entitled to exchange their LP II Class B Units in consideration for Units pursuant to and subject to the terms and conditions set out in an exchange agreement.

As of December 31, 2011, there were 200,002 LP II Class A Units and 756,525 LP II Class B Units issued and outstanding. As of December 31, 2011, Calloway owned 1 LP II Class A Unit and Calloway Holdings Trust owned the remaining 200,001 outstanding LP II Class A Units while others own all of the outstanding LP II Class B Units.

Calloway LP III

Calloway LP III, a subsidiary of Calloway, is a limited partnership formed under the laws of the Province of Alberta pursuant to the Calloway LP III Agreement.

Calloway LP III may issue an unlimited number of LP III Class A Units, LP III Class B Units and LP Class III Class C Units. There shall be no restriction on the number of partnership units that a partner may hold in Calloway LP III. No fractional partnership units will be issued and no person shall have any rights to receive fractional partnership units or to receive cash in lieu of the issue of a fraction of a partnership unit.

Holders of LP III Class A Units, LP III Class B Units and LP Class C Units are entitled to notice, of and to attend and vote at, meetings of partners of Calloway LP III. At meetings of partners of Calloway LP III, the holders of LP III Class A Units shall have 20 votes for each LP III Class A Unit held, and the holders of LP III Class B Units shall have 1 vote for each LP III Class B Unit held and the holders of LP III Class C Units shall have nil votes for each LP III Class C Unit held.

Subject to the restrictions contained in the Calloway LP III Agreement and subject to the prior written consent of the general partner (i.e. Calloway LP III Inc., a subsidiary of Calloway), partnership units may be transferred by a partner. The general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non Resident or a partnership that is not a "Canadian partnership" within the meaning of the Tax Act and in certain of other circumstances.

The LP III Class B Units are considered to be economically equivalent to Units and, accordingly, have been presented as equity in the consolidated financial statements of Calloway. A holder of a LP III Class B Unit is entitled to receive a cash distribution in an amount equal to the amount that Calloway would have distributed to such holder if each such unit owned by such holder were a Unit of Calloway. Further, a holder of a LP III Class B Unit is entitled to receive one Special Voting Unit for each such unit held which Special Voting Unit entitles the holder thereof, so long as the corresponding LP III Class B Unit is outstanding, to one vote at each meeting of Unitholders of Calloway.

Holders of LP III Class C Units are entitled to exchange their LP III Class C Units in consideration for LP III Class B Units and/or cash pursuant to and subject to the terms and conditions set out in the Exchange Agreement 11. Holders of LP III Class B Units are entitled to exchange their LP III Class B Units in consideration for Units pursuant to and subject to the terms and conditions set out in the Calloway LP III Agreement.

As of December 31, 2011, there were 200,001 LP III Class A Units, 543,612 LP III Class B Series 4 Units, 346,715 LP III Class B Series 5 Units, 886,112 LP III Class C Series 4 Units and 946,197 LP III Class C Series 5 Units issued and outstanding. As of December 31, 2011, Calloway owned 1 LP III Class A Unit and Calloway Holdings Trust owned the remaining 200,000 outstanding LP III Class A Units while others own all of the outstanding LP III Class B Units and LP III Class C Units.

Redemption Right

Units are redeemable at any time on demand by the holders thereof. A Unitholder who holds Units in the name of an investment dealer and who wishes to exercise the redemption right will be required to obtain a redemption notice form from the Unitholder's investment dealer who will be required to deliver the completed redemption notice form to CDS Clearing and Depository Services Inc. for delivery to Calloway. Upon receipt of the redemption request by Calloway, all rights to and under the Units tendered for redemption shall be surrendered and the holder thereof shall be entitled to receive a price per Unit (the "**Redemption Price**") equal to the lesser of: (i) 90% of the "market price" of the Units on the principal market on which the Units are quoted for trading during the 10 trading day period ending on the date on which the Units are surrendered for redemption (the "**Redemption Date**"); and (ii) 100% of the "closing market price" on the principal market on which the Units are quoted for trading on the Redemption Date.

For the purposes of this calculation, "**market price**" will be an amount equal to the weighted average of the closing price of the Units for each of the trading days on which there was a closing price; provided that, if the applicable exchange or market does not provide a closing price but only provides the highest and lowest prices of the Units traded on a particular day, the "market price" shall be an amount equal to the weighted average of the highest and lowest prices for each of the trading days on which there was a trade; and provided further that if there was trading on the applicable exchange or market for fewer than five of the 10 trading days, the market price shall be the weighted average of the following prices established for each of the 10 trading days: the weighted average of the last bid and last ask prices for each day on which there was no trading; the closing price of the Units for each day that there was trading if the exchange or market provides a closing price; and the weighted average of the highest and lowest prices of the Units for each day that there was trading, if the market provides only the highest and lowest prices of Units traded on a particular day. The "**closing market price**" shall be an amount equal to the closing price of the Units if there was a trade on the date and the exchange or market provides a closing price; an amount equal to the weighted average of the highest and lowest prices of the Units if there was trading and the exchange or other market provides only the highest and lowest prices of Units traded on a particular day; or the weighted average of the last bid and last ask prices if there was no trading on the date.

The aggregate Redemption Price payable by Calloway in respect of any Units surrendered for redemption during any calendar month shall be satisfied by way of a cash payment on or before the last day of the following month; provided that the entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the limitations that: (i) the total amount payable by Calloway in respect of such Units and all other Units tendered for redemption in the same calendar month shall not exceed $50,000 (provided that the Trustees may, in their sole discretion, waive such limitation in respect of any calendar month); (ii) at the time such Units are tendered for redemption the outstanding Units shall be listed for trading on a stock exchange or traded or quoted on any other market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Units; and (iii) the normal trading of Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the Redemption Date or for more than five trading days during the 10 day trading period commencing immediately after the Redemption Date.

If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the foregoing limitations, then the Redemption Price for such Units shall be the fair market value thereof, as determined by the Trustees in the circumstances described in subparagraphs (ii) and (iii) above, and shall, subject to any applicable regulatory approvals, be paid and satisfied, at the option of Calloway, by way of the issuance and delivery by Calloway to each holder of Units tendered for redemption who is not entitled to receive cash in respect thereof on the Redemption Date of unsecured promissory notes with interest at a market rate to be determined by the Trustees, payable monthly, issued by Calloway (the "**Notes**"), each in the principal amount of $1, on the basis of such number of Notes for such Units tendered for redemption equal to the product of (i) number of Units tendered for redemption multiplied by (ii) the Redemption Price per Unit specified above, which product will then be divided by $1 on the date the Units were tendered for redemption. The Redemption Price payable pursuant to this alternative redemption method in respect of Units tendered for redemption during any month shall, subject to receipt of all necessary regulatory approvals, be paid by the transfer, to or to the order of the Unitholder who exercised the right of redemption, on the last day (the "**Transfer Date**") of the calendar month following the month in which the Units were tendered for redemption. Payments by Calloway of the Redemption Price are conclusively deemed to have been made upon the mailing of the Notes by registered mail in a postage prepaid envelope addressed to the former Unitholder. Upon such payment, Calloway shall be discharged from all liability to the former Unitholder in respect of the Units so redeemed. No fractional Notes in a principal amount less than $1 will be distributed and where the number of Notes to be received by the former Unitholder includes a fraction or a principal amount less than a multiple of $1, such number shall be rounded to the next lowest number or multiple of $1, as the case may be.

It is anticipated that the redemption right will not be the primary mechanism for holders of Units to dispose of their Units. Securities and/or obligations which may be distributed to Unitholders in connection with a redemption will not be listed on any stock exchange and no market is expected to develop in such securities and/or obligations and such securities and/or obligations may be subject to an indefinite "hold period" or other resale restrictions under applicable securities laws. Such securities and/or obligations may not be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans.

Unitholder Limited Liability

Certain provinces in Canada have passed legislation that creates a statutory limitation on the liability of unitholders of income trusts. The legislation provides that a Unitholder will not be, as a beneficiary, liable for any act, default, obligation or liability of the Trustees that arises after the legislation comes into effect. However, the legislation has not yet been judicially considered and it is possible that reliance upon the legislation by a Unitholder could be successfully challenged on jurisdictional or other grounds.

Further, the Declaration of Trust provides that no Unitholder will be subject to any liability in connection with Calloway or its obligations and affairs and, in the event that a court determines Unitholders are subject to any such liabilities, the liabilities will be enforceable only against, and will be satisfied only out of, the Unitholder's share of Calloway's assets. Pursuant to the Declaration of Trust, Calloway will reimburse each Unitholder from any cost, damages, liabilities, expenses, charges and losses suffered by a Unitholder resulting from or arising out of any payment of a Calloway obligation by a Unitholder.

Further, the Declaration of Trust provides that written instruments signed by or on behalf of Calloway shall, if practicable, contain a provision to the effect that such obligation will not be binding upon Unitholders personally. Notwithstanding the terms of the Declaration of Trust, Unitholders may not be protected from liabilities of Calloway to the same extent as a shareholder is protected from the liabilities of a corporation. Personal liability may also arise in respect of claims against Calloway (to the extent that claims are not satisfied by Calloway) that do not arise under contracts, including claims in tort, claims for taxes and possibly certain other statutory liabilities.

The business of Calloway will be conducted, upon the advice of counsel, in such a way and in such jurisdictions as to avoid as far as possible any material risk of liability to the Unitholders for claims against Calloway including, where commercially reasonable, by obtaining appropriate insurance, where available, for the operations of Calloway and, where commercially reasonable, having written agreements signed by or on behalf of Calloway include a provision that such obligations are not binding upon Unitholders personally.

However, in conducting its affairs, Calloway will be acquiring, and has acquired, real property investments subject to existing contractual obligations, including obligations under mortgages and leases. The Trustees will use all reasonable efforts to have any such obligations under mortgages on its properties and material contracts, other than leases, modified so as not to have such obligations binding upon any of the Unitholders or annuitants personally. However, Calloway may not be able to obtain such modification in all cases. To the extent that claims are not satisfied by Calloway, there is a risk that a Unitholder or annuitant will be held personally liable for obligations of Calloway where the liability is not disavowed as described above.

Limitations on Non-Resident Unitholders

Certain provisions of the Tax Act require that Calloway not be established nor maintained primarily for the benefit of Non-Residents. Accordingly, in order to comply with such provisions, the Declaration of Trust contains restrictions on the ownership of Units by Unitholders who are Non-Residents. At no time may Non-Residents be the beneficial owners of more than 49.9% of the Units, on a basic or fully-diluted basis (and for greater certainty, including Units into which Exchangeable Securities may be converted or exchanged), and the Trustees shall inform the transfer agent of this restriction. The Trustees may require a registered holder of Units and/or Special Voting Units to provide the Trustees with a declaration as to the jurisdictions in which beneficial owners of the Units or Special Voting Units registered in such Voting Unitholder's name are resident and as to whether such beneficial owners are Non-Residents (or in the case of a partnership, whether the partnership is a Non-Resident). If the Trustees become aware, as a result of acquiring such declarations as to beneficial ownership or as a result of any other investigations, that the beneficial owners of 49.9% of the Units (on a basic or fully-diluted basis, including Units into which Exchangeable Securities may be converted or exchanged) are, or may be, Non-Residents or that such a situation is imminent, the Trustees may make a public announcement thereof and shall not accept a subscription for Units from or issue or register a transfer of Units to a person unless the person provides a declaration in form and content satisfactory to the Trustees that the person is not a Non-Resident and does not hold such Units for the benefit of Non-Residents. If, notwithstanding the foregoing, the Trustees determine that more than 49.9% of the Units (on a basic or fully-diluted basis, including Units into which Exchangeable Securities may be converted or exchanged) are held by Non-Residents, the Trustees may send a notice to such Non-Resident holders of the Units or Exchangeable Securities, as the case may be, chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell their Units or Exchangeable Securities or a portion thereof within a specified period of not more than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or Exchangeable Securities or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trustees may on behalf of such Unitholders sell such Units or Exchangeable Securities and, in the interim, shall suspend the voting and distribution rights attached to such Units or Exchangeable Securities (other than the right to receive the net proceeds from the sale). Upon such sale or conversion, the affected holders shall cease to be holders of the relevant Units or Exchangeable Securities and their rights shall be limited to receiving the net proceeds of sale upon surrender of the certificates, if any, representing such securities. Calloway may direct the Transfer Agent to do any of the foregoing.

Meetings of Unitholders

The Declaration of Trust provides that meetings of Voting Unitholders must be called and held for, among other matters, the election or removal of Trustees (except filling casual vacancies), the appointment or removal of the auditors of Calloway, the approval of amendments to the Declaration of Trust (except as described under "Amendments to the Declaration of Trust"), an increase or decrease in the number of Trustees, the sale or transfer of the assets of Calloway as an entirety or substantially as an entirety (other than as part of an internal reorganization), or the termination of Calloway. Meetings of Voting Unitholders will be called and held annually for, among other things, the election of the Trustees and the appointment of auditors of Calloway. The foregoing matters must be passed by at least a majority of the votes cast at a meeting of Unitholders called for such purpose.

A meeting of Voting Unitholders may be convened at any time and for any purpose by the Trustees and must be convened if requisitioned by the holders of not less than 10% of the Voting Units then outstanding by a written requisition. A requisition must, among other things, state in reasonable detail the business proposed to be transacted at the meeting.

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

The Declaration of Trust contains provisions as to the notice required and other procedures with respect to the calling and holding of meetings of Voting Unitholders.

Information and Reports

Calloway will furnish to Unitholders such financial statements (including quarterly and annual financial statements) and other reports as are from time to time required by applicable law, including prescribed forms needed for the completion of Unitholders' tax returns under the Tax Act and equivalent provincial legislation.

Prior to each meeting of Unitholders, the Trustees will provide the Unitholders (along with notice of such meeting) a proxy form and an information circular containing information similar to that required to be provided to shareholders of a Canadian public corporation governed by the Canada Business Corporations Act.

Trustees

The Declaration of Trust provides that, subject to the terms and conditions thereof, the Trustees may, in respect of the trust assets, exercise any and all rights, powers and privileges that could be exercised by a legal and beneficial owner thereof and shall supervise the investments and conduct the affairs of Calloway. The Declaration of Trust provides that the Trustees shall act honestly and in good faith with a view to the best interest of Calloway and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Except as expressly prohibited by law, the Trustees may grant or delegate certain of the Trustees' authority to effect the actual administration of the duties of the Trustees under the Declaration of Trust. The Trustees may grant broad discretion to a third party to administer and manage the day-to-day operations of Calloway, and to make executive decisions which conform to the general policies and general principles set forth in the Declaration of Trust or otherwise established by the Trustees.

Pursuant to the Declaration of Trust, there shall be no fewer than seven (7) nor more than twelve (12) Trustees. Subject to the right of SmartCentres to appoint Trustees as described below, the number of Trustees may be increased or decreased within such limits from time to time by the Trustees or the Unitholders, provided that the Trustees may not, between meetings of Unitholders, appoint an additional Trustee if, after such appointment, the total number of Trustees would be greater than one and one-third of the number of Trustees in office immediately following the last annual meeting of Unitholders. A majority of the Trustees shall be Resident Canadians.

Subject to the right of SmartCentres to appoint Trustees as described below, Trustees will be elected annually by resolution passed by a majority of the votes cast at a meeting by Unitholders. Trustees elected at an annual meeting will be elected for a term expiring at the subsequent annual meeting and will be eligible for re-election. A Trustee elected or appointed to fill a vacancy shall hold office for the remaining term of the Trustee he or she is succeeding. The Declaration of Trust provides with respect to Trustees that a Trustee may be removed with or without cause by a majority of the votes cast at a meeting of Unitholders or with cause by a majority of the remaining Trustees.

The Declaration of Trust provides that:

(a) for so long as Mitchell Goldhar, companies controlled by Mitchell Goldhar or affiliates of such companies (collectively referred to herein as "**SmartCentres**" are the registered and beneficial owner of at least 5% but less than 15% of the issued and outstanding Units and Special Voting Units of Calloway, in aggregate, it shall be entitled to appoint one trustee to the Board of Trustees and the number of trustees on the Board of Trustees shall be limited to eight;

(b) for so long as SmartCentres is the registered and beneficial owner of at least 15% but less than 25% of the issued and outstanding Units and Special Voting Units of Calloway, in aggregate, it shall be entitled to appoint a total of two trustees to the Board of Trustees and the number of trustees on the Board of Trustees shall be limited to a maximum of eight; and

(c) for so long as SmartCentres is the registered and beneficial owner of at least 25% of the issued and outstanding Units and Special Voting Units of Calloway, in aggregate, it shall be entitled to appoint a total of three trustees to the Board of Trustees and the number of trustees on the Board of Trustees shall be limited to a maximum of nine.

Committees of Trustees

General

The Trustees may appoint from among their number one or more committees of Trustees and may, subject to applicable law and to any provision hereof to the contrary, delegate to such committee or committees any of the powers of the Trustees. The Trustees shall have the power to appoint, employ or contract with any person for any matter relating to Calloway or its assets or affairs. The Trustees may grant or delegate such authority to a property manager as the Trustees may, subject to applicable law, in their sole discretion deem necessary or desirable without regard to whether such authority is normally granted or delegated by trustees. The Trustees shall have the power to determine the term and compensation of a property manager or any other person whom they may employ or with whom they may contract. The Trustees shall have the power to grant powers of attorney as required in connection with any financing or security relating thereto.

Audit Committee

The Trustees shall appoint an audit committee (the "**Audit Committee**") to consist of not less than three Trustees. The Audit Committee shall be composed of Trustees who comply with the provisions of National Instrument 52-110. Subject to the delegation to the Audit Committee of such other responsibilities as are determined by the Trustees from time to time and subject to such changes to its form and function as may be mandated by any relevant regulatory authorities, the Audit Committee shall:

(a) review Calloway's procedures for internal control with the external auditors and Calloway's Chief Financial Officer;

(b) review the engagement of the external auditors;

(c) review and recommend to the Trustees for approval annual and quarterly financial statements and management's discussion and analysis of financial condition and results of operation;

(d) assess Calloway's financial and accounting personnel; and

(e) review any significant transactions outside Calloway's ordinary course of business and all pending litigation involving Calloway.

The external auditors of Calloway are entitled to receive notice of every meeting of the Audit Committee and, at the expense of Calloway, to attend and be heard thereat and, if so requested by a member of the Audit Committee, shall attend any meeting of the Audit Committee held during the term of office of the external auditors.

Investment Committee

The Trustees shall appoint an investment committee (the "**Investment Committee**") to consist of not less than three Trustees and not more than five Trustees, a majority of whom shall be Outside Trustees, two of whom shall be Trustees appointed by SmartCentres for so long as SmartCentres is the registered and beneficial owner of in excess of 15% of the issued and outstanding Units and/or Special Voting Units of Calloway (unless the prior written consent to the contrary or a written waiver of SmartCentres is obtained) and two-thirds of whom shall have had at least 5 years of substantive experience in the real estate industry. The duties of the Investment Committee will be to:

(a) review all proposals regarding investments;

(b) review and approve or reject proposed acquisitions and dispositions of investments by Calloway or any of its subsidiaries or Affiliates;

(c) review and approve or reject proposed transactions on behalf of Calloway or any of its subsidiaries or Affiliates; and

(d) review and approve or reject all borrowings and the assumption or granting of any mortgage or other security interest in Real Property, including any assignment of rents and other monies derived from or related to Real Property, by Calloway or any of its subsidiaries and Affiliates.

Where for any reason a member of the Investment Committee is disqualified from voting on or participating in a decision, any other independent and disinterested Trustee not already a member of the Investment Committee may be designated by the Trustees to act as an alternate. Notwithstanding the appointment of the Investment Committee, the Trustees may consider and approve any matter which the Investment Committee has the authority to consider or approve.

Corporate Governance and Compensation Committee

The Trustees shall appoint a corporate governance and compensation committee (the "**Corporate Governance and Compensation Committee**") to consist of not less than three Trustees and not more than four Trustees, one of whom shall be a Trustee appointed by SmartCentres for so long as SmartCentres is the registered and beneficial owner of in excess of 15% of the issued and outstanding Units and/or Special Voting Units of Calloway (unless the prior written consent to the contrary or a written waiver of SmartCentres is obtained). The duties of the Corporate Governance and Compensation Committee will be to review the governance of Calloway with the responsibility for Calloway's corporate governance, human resources and compensation policies. In particular, the Corporate Governance and Compensation Committee will be responsible for:

(a) assessing the effectiveness of the Board of Trustees and each of its committees;

(b) considering questions of management succession;

(c) participating in the recruitment and selection of candidates as Trustees;

(d) considering and approving proposals by the Trustees to engage outside advisers on behalf of the Board of Trustees;

(e) administering Calloway's long term incentive plan;

(f) assessing the performance of the Chief Executive Officer;

(g) reviewing and approving the compensation of senior management and consultants of Calloway and its subsidiaries; and

(h) reviewing and making recommendations to the board concerning the level and nature of the compensation payable to the Trustees.

Where for any reason a member of the Corporate Governance and Compensation Committee is disqualified from voting on or participating in a decision, any other independent and disinterested Trustee not already a member of the Corporate Governance and Compensation Committee may be designated by the Trustees to act as an alternate. Notwithstanding the appointment of the Corporate Governance and Compensation Committee, the Trustees may consider and approve any matter which the Corporate Governance and Compensation Committee has authority to consider or approve.

Property Manager

The Trustees may exercise broad discretion in allowing any property manager to manage the Real Property of Calloway, including operating, maintaining, leasing and marketing the said properties, to act as agent for Calloway in respect thereof and to execute documents on behalf of the Trustees in respect thereof, all subject to the overriding authority of the Trustees over the management and affairs generally of Calloway.

Officers

Calloway may have a Chairman, a President, one or more Vice-Presidents and a Secretary and such other officers as the Trustees may appoint from time to time. One person may hold two or more offices. Any officer of Calloway may, but need not, be a Trustee. The Chairman, if not a Trustee, shall be entitled to receive notice of and attend all meetings of the Trustees but, unless he is a Trustee, shall not be entitled to vote at any such meeting. Officers of Calloway shall be appointed and discharged and their remuneration determined by the Trustees provided that the President shall be appointed on an annual basis and with the consent of not less than 75% of the Trustees.

Amendments to the Declaration of Trust

The Declaration of Trust may be amended or altered from time to time by meetings of the Unitholders called for such purpose. While certain amendments may be made with the approval of at least a majority of the votes cast by Unitholders, certain fundamental amendments require the approval of at least two-thirds of the votes cast by Unitholders.

The Trustees may, without the approval of or any notice to Unitholders, make amendments to the Declaration of Trust:

(a) for the purpose of ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustees or over Calloway, including respecting its status as a “unit trust” a “mutual fund trust” and a “registered investment” under the Tax Act or the distribution of its Units;

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

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

(d) which, in the opinion of the Trustees, are necessary or desirable as a result of changes in taxation laws from time to time, including, without limiting the generality of the foregoing, amendments which may affect Calloway, the Unitholders or annuitants under a plan of which a Unitholder acts as trustee or carrier or which may permit Calloway to qualify for any status under the Tax Act which would benefit Calloway or the Unitholders;

(e) for any purpose (except one in respect of which a Unitholder vote is specifically otherwise required), if the Trustees are of the opinion that the amendment is not prejudicial to Unitholders and is necessary or desirable; and

(f) which, in the opinion of the Trustees, are necessary or desirable to enable Calloway to issue Units for which the purchase price is payable on an instalment basis.

Distribution Reinvestment Plan

Calloway has adopted a Distribution Reinvestment Plan that permits eligible Unitholders to elect to reinvest monthly distributions in additional Units. The price of Units issued under the Distribution Reinvestment Plan is based on the volume weighted average price for the sale of Units on the TSX during the ten days preceding the relevant distribution date (the “Market Price”). The purchase price of Units purchased with distributions under the Distribution Reinvestment Plan is equal to 97% of the Market Price. There are no commissions or brokerage charges payable on the purchase of Units under the Distribution Reinvestment Plan.

DISTRIBUTION POLICY

The following outlines the distribution policy of Calloway.

Calloway’s objectives are to provide Unitholders with stable and growing tax deferred cash distributions through the acquisition, development, and operation of a portfolio of well located, well leased, unenclosed retail centres across Canada. Calloway intends to distribute at levels which are sustainable over time after Callowayt funds its capital requirements.

General

Calloway currently intends to make monthly distributions to Unitholders on each Distribution Date equal, on an annual basis, with a targeted range of 90% to 95% of Adjusted Funds From Operations. Distributions shall be made in cash or Units pursuant to any distribution reinvestment plan adopted by the Trustees from time to time pursuant to the Declaration of Trust. Any distribution shall be made proportionately to persons who are Unitholders as at the close of business on the record date for such distribution, which shall be the last Business Day of the calendar month preceding the month in which the Distribution Date falls, or if such date is not a Business Day then the next following Business Day, or such other date, if any, as is fixed in accordance with the Declaration of Trust. Notwithstanding the foregoing, the ability of Calloway to make cash distributions is subject to various risk and uncertainties including those outlined in the “Risk Factors” section of this annual information form.

Distribution History

The particulars of distributions made by Calloway from January 1, 2009 to and including the period ending December 31, 2011 are as follows:

Distribution	Payment Date	Amount of Distribution	Portion of Distribution per Unit Taxable as Capital Gain	Portion of Distribution per Unit Taxable as Income
2009				
January	February 17, 2009	$0.12900 per Unit	0.0%	36.6%
February	March 16, 2009	$0.12900 per Unit	0.0%	36.6%
March	April 15, 2009	$0.12900 per Unit	0.0%	36.6%
April	May 15, 2009	$0.12900 per Unit	0.0%	36.6%
May	June 15, 2009	$0.12900 per Unit	0.0%	36.6%
June	July 15, 2009	$0.12900 per Unit	0.0%	36.6%
July	August 17, 2009	$0.12900 per Unit	0.0%	36.6%
August	September 15, 2009	$0.12900 per Unit	0.0%	36.6%
September	October 15, 2009	$0.12900 per Unit	0.0%	36.6%
October	November 16, 2009	$0.12900 per Unit	0.0%	36.6%
November	December 15, 2009	$0.12900 per Unit	0.0%	36.6%
December	January 15, 2010	$0.12900 per Unit	0.0%	36.6%

Distribution	Payment Date	Amount of Distribution	Portion of Distribution per Unit Taxable as Capital Gain	Portion of Distribution per Unit Taxable as Income
2010				
January	February 16, 2010	$0.12900 per Unit	0.7%	41.6%
February	March 15, 2010	$0.12900 per Unit	0.7%	41.6%
March	April 15, 2010	$0.12900 per Unit	0.7%	41.6%
April	May 17, 2010	$0.12900 per Unit	0.7%	41.6%
May	June 15, 2010	$0.12900 per Unit	0.7%	41.6%
June	July 15, 2010	$0.12900 per Unit	0.7%	41.6%
July	August 16, 2010	$0.12900 per Unit	0.7%	41.6%
August	September 15, 2010	$0.12900 per Unit	0.7%	41.6%
September	October 15, 2010	$0.12900 per Unit	0.7%	41.6%
October	November 15, 2010	$0.12900 per Unit	0.7%	41.6%
November	December 15, 2010	$0.12900 per Unit	0.7%	41.6%
December	January 17, 2011	$0.12900 per Unit	0.7%	41.6%
2011				
January	February 15, 2011	$0.12900 per Unit	1.9%	41.7%
February	March 15, 2011	$0.12900 per Unit	1.9%	41.7%
March	April 15, 2011	$0.12900 per Unit	1.9%	41.7%
April	May 16, 2011	$0.12900 per Unit	1.9%	41.7%
May	June 15, 2011	$0.12900 per Unit	1.9%	41.7%
June	July 15, 2011	$0.12900 per Unit	1.9%	41.7%
July	August 15, 2011	$0.12900 per Unit	1.9%	41.7%
August	September 15, 2011	$0.12900 per Unit	1.9%	41.7%
September	October 17, 2011	$0.12900 per Unit	1.9%	41.7%
October	November 15, 2011	$0.12900 per Unit	1.9%	41.7%
November	December 15, 2011	$0.12900 per Unit	1.9%	41.7%
December	January 16, 2012	$0.12900 per Unit	1.9%	41.7%

DESCRIPTION OF UNSECURED DEBENTURES AND CONVERTIBLE DEBENTURES

Unsecured Debentures

As at date of this Annual Information Form, Calloway has issued $615,000,000 of Debentures, not including the 6.65% Convertible Debentures and the 5.75% Convertible Debenture, pursuant to certain supplemental indentures to the Trust Indenture as described below. The Debentures are direct unsecured obligations of Calloway and each rank equally and rateably with one another and with all other unsecured and unsubordinated indebtedness of Calloway.

The Trust Indenture provides that each of the following events will constitute an "Event of Default" in respect of each series of the Debentures, other than the 6.65% Convertible Debentures and the 5.75% Convertible Debentures:

a) default in payment of principal when due;

b) default in payment of any interest when due where such default continues for a period of three business days after the relevant interest payment date;

c) a breach of or default in the performance of any other covenant of Calloway under the Trust Indenture, the Debentures or a supplemental indenture in connection with that series of Debentures where such default or breach continues for a period of 30 days after the Debenture Trustee has given notice in writing to Calloway specifying the nature of such breach or default, and requiring that it be remedied unless the Debenture Trustee (having regard to the subject matter of such breach or default) agrees to a longer period, and in such event within the period agreed to by the Debenture Trustee;

d) certain events of bankruptcy, insolvency, winding up or dissolution related to Calloway or a Material Subsidiary (as such term is defined in the Trust Indenture) as set out in the Trust Indenture;

e) the rendering of a final judgment or judgments (not subject to appeal) against Calloway or any Material Subsidiary in an aggregate amount in excess of $25 million by a court or courts of competent jurisdiction, which remains or remain undischarged and unstayed for a period of 60 days after the date on which the right to appeal has expired; and

f) default by Calloway or any Material Subsidiary under the terms of any Indebtedness (other than any Non-Recourse Indebtedness)(as such terms are defined in the Trust Indenture) where that default results in the acceleration of that Indebtedness (after expiration of any applicable grace period) unless such acceleration is waived or rescinded; provided that the aggregate of all such Indebtedness which is accelerated exceeds $25 million.

Convertible Debentures

As at date of this Annual Information Form, Calloway has issued $185,000,000 principal amount of 6.65% Convertible Debentures and 5.75% Convertible Debentures, as described below.

The Trust Indenture provides that each of the following events will constitute an "Event of Default" in respect of the 6.65% Convertible Debentures and the 5.75% Convertible Debentures:

i) failure for 15 days to pay interest on the 6.65% Convertible Debentures and the 5.75% Convertible Debentures when due;

ii) failure to pay principal or premium, if any, on the 6.65% Convertible Debentures or the 5.75% Convertible Debentures, whether at the maturity date, upon redemption, by declaration or otherwise; or

iii) certain events of bankruptcy, insolvency or reorganization.

The 6.65% Convertible Debentures and the 5.75% Convertible Debentures will be subordinated to all creditors entitled to Senior Indebtedness (as such term is defined in the Trust Indenture) will receive payment in full, including claims of trade, creditors, before the holders of the 6.65% Convertible Debentures and the 5.75% Convertible Debentures will be entitled to receive any payment or distribution.

Change of Control

Upon the occurrence of a change in control involving the acquisition or voting control or direction over 66⅔% or more of the outstanding Units by any person or group of persons acting jointly or in concert (a "**Change of Control**"), each holder of Debentures may require Calloway to purchase, on the date which is 30 days following the giving of notice of the Change of Control as set out below (the "**Put Date**"), the whole or any part of such holder's Debentures at a price equal to 101% of the principal amount thereof (the "**Put Price**") plus accrued and unpaid interest to the Put Date.

If 90% or more in the aggregate principal amount of the Debentures outstanding on the date of the giving of notice of the Change of Control have been tendered for purchase on the Put Date, Calloway will have the right to redeem all the remaining Debentures on such date at the Put Price, together with accrued and unpaid interest to such date.

Notice of such redemption must be given to the Debenture Trustee prior to the Put Date and as soon as possible thereafter, by the Indenture Trustee to the holders of the Debentures not tendered for purchase.

Series B 5.37% Debentures

On October 12, 2006, Calloway issued $250,000,000 principal amount of Series B 5.37% Debentures due October 12, 2016. The Series B 5.37% Debentures are direct, senior unsecured obligations of Calloway and rank equally with one another and with all other unsecured and unsubordinated indebtedness of Calloway. The Series B 5.37% Debentures bear interest at an annual rate of 5.37% payable semi-annually in arrears on April 12 and October 12 in each year. At its option, Calloway may redeem the Series B 5.37% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2011, $250,000,000 principal amount of Series B 5.37% Debentures remains outstanding.

6.65% Convertible Debentures

On May 2, 2008, Calloway completed a public offering of $125,000,000 principal amount of 6.65% Convertible Debentures due June 30, 2013. The 6.65% Convertible Debentures are direct unsecured obligations of Calloway and are subordinated to all indebtedness of Calloway which, by the terms of the instrument creating or evidencing the indebtedness, is not expressed to be *pari passu* with, or subordinate in right of payment to, the 6.65% Convertible Debentures. The 6.65% Convertible Debentures mature on June 30, 2013 and interest is paid semi-annually on June 30 and December 31 in each year. The 6.65% Convertible Debentures are convertible at the holder's option into Units at any time prior to the earlier of the maturity date and the date fixed for redemption at a conversion price of $25.25 per Unit. The 6.65% Convertible Debentures are not redeemable on or before June 30, 2011. After June 30, 2011 and prior to June 30, 2012, the 6.65% Convertible Debentures may be redeemed in whole or in part from time to time at Calloway's option provided that the 20-day weighted average market price for the Units on the TSX is not less than 125% of the conversion price. On or after June 30, 2012 and prior to the maturity date, the 6.65% Convertible Debentures may be redeemed in whole or in part from time to time at Calloway's option at a price equal to their principal amount plus accrued and unpaid interest. Calloway may satisfy its obligation to pay principal or interest on the debentures, in whole or in part, by delivering Units. In the event that Calloway so elects to satisfy its obligation to pay the principal amount of the 6.65% Convertible Debentures with Units, the number of Units will be determined by dividing the principal amount by 95% of the market price on the TSX for the Units at that time. As at December 31, 2011, $125,000,000 principal amount of 6.65% Convertible Debentures remained outstanding.

Series D 7.95% Debentures

On June 30, 2009, Calloway issued $75,000,000 principal amount of Series D 7.95% Debentures due June 30, 2014. The Series D 7.95% Debentures are direct, senior unsecured obligations of Calloway and rank equally with one another and with all other unsecured and unsubordinated indebtedness of Calloway. The Series D 7.95% Debentures bear interest at an annual rate of 7.95% payable semi-annually in arrears on June 30 and December 30 in each year. At its option, Calloway may redeem the Series D 7.95% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2011, $75,000,000 principal amount of Series D 7.95% Debentures remained outstanding.

5.75% Convertible Debentures

On January 5, 2010, Calloway completed a public offering of 2,100,000 units at a price of $19.05 per unit as well as $60,000,000 principal amount of 5.75% Convertible Debentures. The 5.75% Convertible Debentures are direct unsecured obligations of Calloway and are subordinated to all indebtedness of Calloway which, by the terms of the instrument creating or evidencing the indebtedness, is not expressed to be pari passu with, or subordinate in right of payment to, the 5.75% Convertible Debentures. The 5.75% Convertible Debentures mature on June 30, 2017 and interest is paid semi-annually on June 30 and December 31 in each year. The 5.75% Convertible Debentures are convertible at the holder's option into Units at any time prior to the earlier of the maturity date and the date fixed for redemption at a conversion price of $25.75 per Unit. The 5.75% Convertible Debentures are not redeemable on or before June 30, 2013. After June 30, 2013 and prior to June 30, 2015, the 5.75% Convertible Debentures may be redeemed in whole or in part from time to time at Calloway's option provided that the 20-day weighted average market price for the Units on the TSX is not less than 125% of the conversion price. On or after June 30, 2015 and prior to the maturity date, the 5.75% Convertible Debentures may be redeemed in whole or in part from time to time at Calloway's option at a price equal to their principal amount plus accrued and unpaid interest. Calloway may satisfy its obligation to pay principal or interest on the debentures, in whole or in part, by delivering Units. In the event that Calloway so elects to satisfy its obligation to pay the principal amount of the 5.75% Convertible Debentures with Units, the number of Units will be determined by dividing the principal amount by 95% of the market price on the TSX for the Units at that time. As at December 31, 2011, $60,000,000 principal amount of 5.75% Convertible Debentures remained outstanding.

Series E 5.10% Debentures

On June 4, 2010, Calloway issued $100,000,000 principal amount of Series E 5.10% Debentures due June 4, 2015. The Series E 5.10% Debentures are direct, senior unsecured obligations of Calloway and rank equally with one another and with all other unsecured and unsubordinated indebtedness of Calloway. The Series E 5.10% Debentures bear interest at an annual rate of 5.10% payable semi-annually in arrears on June 4 and December 4 in each year. At its option, Calloway may redeem the Series E 5.10% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2011, $100,000,000 principal amount of Series E 5.10% Debentures remained outstanding.

Series F 5.00% Debentures

On October 1, 2010, Calloway issued $100,000,000 principal amount of Series F 5.00% Debentures due February 1, 2019. The Series F 5.00% Debentures are direct, senior unsecured obligations of Calloway and rank equally with one another and with all other unsecured and unsubordinated indebtedness of Calloway. The Series F 5.00% Debentures bear interest at an annual rate of 5.00% payable semi-annually in arrears on February 1 and August 1 in each year. At its option, Calloway may redeem the Series F 5.00% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2011, $100,000,000 principal amount of Series F 5.00% Debentures remained outstanding.

Series G 4.70% Debentures

On August 22, 2011, Calloway issued $90,000,000 principal amount of Series G 4.70% Debentures due August 22, 2018. The Series G 4.70% Debentures are direct, senior unsecured obligations of Calloway and rank equally with one another and with all other unsecured and unsubordinated indebtedness of Calloway. The Series G 4.70% Debentures bear interest at an annual rate of 4.70% payable semi-annually in arrears on February 22 and August 22 in each year. At its option, Calloway may redeem the Series G 4.70% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2011, $90,000,000 principal amount of Series G 4.70% Debentures remained outstanding.

INVESTMENT GUIDELINES AND OPERATING POLICIES

Investment Guidelines

The Declaration of Trust provides for certain restrictions on investments, which may be made by Calloway. The assets of Calloway may be invested only in accordance with the following restrictions:

1. Calloway will focus its acquisition activities on existing income-producing properties that are capital property of Calloway, including office, retail, industrial and mixed use properties, that are substantially leased;
2. notwithstanding anything in the Declaration of Trust to the contrary, Calloway shall not make any investment or take any action or omit to take any action that would result in Units not being units of a

"mutual fund trust" and of a "unit trust" within the meaning of the *Income Tax Act* (Canada), that would result in Units being disqualified for investment by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans or registered education savings plans, or that would result in Calloway paying a tax under the registered investment provisions of the *Income Tax Act* (Canada) imposed for exceeding certain investment limits;

3. Calloway may, directly or indirectly, invest in a joint venture arrangement for the purposes of owning interests or investments otherwise permitted to be held by Calloway, provided that such joint venture arrangement contains terms and conditions which, in the opinion of the Trustees, are commercially reasonable, including without limitation such terms and conditions relating to restrictions on transfer and the acquisition and sale of Calloway's and any joint venturer's interest in the joint venture arrangement, provisions to provide liquidity to Calloway, such as buy-sell mechanisms, provisions that limit the liability of Calloway to third parties, and provisions that provide for the participation of Calloway in the management of the joint venture arrangement. For purposes of this provision, a joint venture arrangement is an arrangement between Calloway and one or more other persons ("**joint venturers**") pursuant to which Calloway, directly or indirectly, conducts an undertaking for one or more of the purposes set out above and in respect of which Calloway may hold its interest jointly or in common or in another manner with others either directly or through the ownership of securities of a corporation or other entity (a "**joint venture entity**"), including without limitation a general partnership, limited partnership or limited liability company;

4. except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada, short-term government debt securities, or in money market instruments of, or guaranteed by, a Schedule 1 Canadian chartered bank maturing prior to one year from the date of issue, Calloway may not hold securities other than securities of a joint venture entity, trust or limited partnership or an entity or corporation wholly owned by Calloway formed and operated for the purpose of holding a particular Real Property or Real Properties or for any other purpose relating to the activities of Calloway, and provided further that, notwithstanding anything contained in the Declaration of Trust to the contrary, Calloway may acquire securities of other real estate investment trusts;

5. except as otherwise prohibited in the Declaration of Trust, Calloway may invest in interests (including fee ownership and leasehold interests) in income-producing Real Property that is capital property of Calloway;

6. Calloway shall not acquire any single investment in real property (whether directly or indirectly through its interest in a trust, limited partnership or corporation) if the cost to Calloway of such acquisition (including encumbrances assumed) will exceed 20% of the Gross Book Value calculated following such purchase;

7. Calloway shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in Real Property that is capital property of Calloway;

8. Calloway shall not invest directly in operating businesses unless such investment is through a corporation, limited partnership or trust;

9. subject to section 2, Calloway may invest directly in raw land for development properties adjacent to existing properties of Calloway provided such investment is through a corporation, limited partnership or trust established for the purpose of (i) the renovation or expansion of existing facilities that are capital property of Calloway, or (ii) the development of new facilities which will be capital property of Calloway;

10. Calloway may invest in mortgages or mortgage bonds (including, with the consent of a majority of the Trustees, a participating or convertible mortgage) where:

    (a) the Real Property which is security therefore is income-producing Real Property which otherwise meets the general investment guidelines of Calloway adopted by the Trustees from time to time in accordance with the Declaration of Trust and the restrictions set out therein; and

    (b) the aggregate value of the investments of Calloway in these mortgages, after giving effect to the proposed investment, will not exceed 20% of the Adjusted Unitholders' Equity;

11. Calloway may invest in mortgages if the primary intention is to use the acquisition of the mortgages as a method of acquiring control of income-producing Real Property which would otherwise meet the investment guidelines of Calloway and provided the aggregate value of the investments of Calloway in

these mortgages, after giving effect to the proposed investment, will not exceed 20% of the Adjusted Unitholders' Equity; and

12. subject to section 2 above, Calloway 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 assumed or incurred by Calloway and secured by a mortgage on such property) of up to 15% of the Adjusted Unitholders' Equity of Calloway in investments or transactions which do not comply with sections 4, 5, 10 and 11 above or section 3 under the heading "Investment Guidelines and Operating Policies – Operating Policies".

For the purpose of the foregoing guidelines, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by Calloway will be deemed to be those of Calloway on a proportionate consolidation basis. In addition, any references in the foregoing to investment in Real Property will be deemed to include an investment in a joint venture arrangement. Nothing in the guidelines prohibits Calloway from holding or assigning some or all of the receivables due pursuant to any instalment receipt agreement.

Except as specifically set forth herein to the contrary, all of the foregoing prohibitions, limitations or requirements for investment shall be determined as at the date of investment by Calloway.

Operating Policies

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

1. (i) any written instrument creating an obligation which is or includes the granting by Calloway of a mortgage, and (ii) to the extent the Trustees determine to be practicable and consistent with their duty to act in the best interests of the Unitholders, any written instrument which is, in the judgement of the Trustees, a material obligation, shall contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort 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 Calloway, but that only property of Calloway or a specific portion thereof shall be bound; Calloway, however, is not required, but shall use all reasonable efforts, to comply with this requirement in respect of obligations assumed by Calloway upon the acquisition of Real Property;

2. Calloway shall not 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 20% of the Adjusted Unitholders' Equity of Calloway;

3. the limitation contained in subsection 2 shall not apply to the renewal or extension of a lease or sublease and shall not apply where the lessee or sublessee is, or where the lease or sublease is guaranteed (or an indemnity has been given) by:

   (a) the Government of Canada, the Government of the United States, any province of Canada, any state of the United States or any municipality in Canada or the United States, or any agency thereof;

   (b) any corporation, the bonds, debentures or other evidences of indebtedness of, or guaranteed by which, has received a rating from Standard & Poor's of no less than investment grade (or equivalent from any other recognized credit rating agency) in each case, at the time the lease or sublease is entered into, or at the time other satisfactory leasing arrangements as determined by the Trustees, in their discretion, are entered into;

   (c) a Canadian chartered bank registered federally or under the laws of a province of Canada; or

   (d) Wal-Mart Canada Corp. and its related associates and affiliates.

4. Calloway may engage directly in construction or development to maintain its properties in good repair or to enhance the income producing ability of properties in which Calloway has an interest;

5. title to each Real Property shall be drawn up in the name of the Trustees or, to the extent permitted by applicable law, Calloway or a corporation or other entity wholly owned, directly or indirectly, by Calloway or jointly, directly or indirectly, by Calloway with joint venturers;

6. Calloway will not incur or assume any indebtedness if, after the incurring or assuming of the indebtedness, the total indebtedness of Calloway would be more than 60% of the Gross Book Value (65% if convertible debentures are outstanding). The Trustees may in their discretion use Fair Market Value in place of Gross Book Value for the purposes of this subsection. For the purposes of this subsection the term "**indebtedness**" means (without duplication and excluding "non-controlling interests") on a consolidated basis:

   (a) any obligation of Calloway for borrowed money;

   (b) any obligation of Calloway incurred in connection with the acquisition of property, assets or business;

   (c) any obligation of Calloway issued or assumed as the deferred purchase price of property;

   (d) any capital lease obligation of Calloway; and

   (e) any obligation of the type referred to in clauses 6.1 through 6.4 of another person, the payment of which Calloway has guaranteed or for which Calloway is responsible for or liable;

   provided that (a) for the purposes of 6.1 through 6.4, an obligation (other than convertible debentures) will constitute indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of Calloway in accordance with generally accepted accounting principles; (b) obligations referred to in clauses 6.1 through 6.3 exclude trade accounts payable, distributions payable to Unitholders and accrued liabilities arising out of the ordinary course of business; and (c) convertible debentures will constitute indebtedness to the extent of the principal amount thereof outstanding;

7. Calloway shall not incur debt aggregating more than 20% of Gross Book Value (other than unsecured trade payables, accrued expenses and distributions payable) at floating interest rates or having a maturity of less than one year, not including term debt falling due in the next twelve months or variable rate debt for which Calloway has entered into interest rate swap agreements to fix the interest rate for a one year period or greater;

8. Calloway may directly or indirectly guarantee indebtedness or liabilities of a third party provided that such guarantee is related to the direct or indirect ownership or acquisition by Calloway of Real Property that would otherwise comply with the investment restrictions and operating guidelines set forth herein under the heading "Investment Guidelines and Operating Policies";

9. Calloway shall be obliged to obtain an independent appraisal of any property acquired by Calloway that the Investment Committee determined, in its discretion, should be supported by an independent appraisal;

10. Calloway shall obtain and maintain at all times insurance coverage in respect of potential liabilities of Calloway and the accidental loss of value of the assets of Calloway from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties; and

11. Calloway shall have conducted a Phase I environmental audit of each Real Property to be acquired by it and, if the Phase I environmental audit report recommends a Phase II environmental audit be conducted, Calloway shall have conducted a Phase II environmental audit, in each case by an independent and experienced environmental consultant; such audit as a condition to any acquisition, shall be satisfactory to the Trustees. All new leases granted by Calloway shall contain appropriate covenants from the lessee respecting environmental matters as determined by the Trustees from time to time.

For the purposes of the foregoing policies, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by Calloway will be deemed to be those of Calloway on a proportionate consolidation basis. In addition, any references in the foregoing to investment in Real Property will be deemed to include an investment in a joint venture.

All of the foregoing prohibitions, limitations or requirements pursuant to the foregoing policies shall be determined as at the date of investment or other action by Calloway.

MARKET FOR SECURITIES, TRADING PRICE AND VOLUME

Units

The Units are listed and posted for trading on the TSX under the trading symbol "CWT.UN". The following table sets forth the reported high and low sales prices and the trading volumes for the Units as reported by the TSX for the period indicated:

	Price Range		
	High	**Low**	**Trading Volume**
2011			
January	$24.55	$23.50	3,094,690
February	$24.79	$23.56	3,016,197
March	$25.94	$23.05	4,203,502
April	$25.75	$24.62	2,643,089
May	$26.00	$25.00	2,182,630
June	$25.83	$24.57	3,364,120
July	$25.70	$24.60	1,519,123
August	$25.70	$18.00	4,326,662
September	$26.32	$24.42	3,455,402
October	$26.45	$24.46	2,915,964
November	$27.32	$25.87	2,530,538
December	$27.03	$26.01	3,516,832
Total for Periods			**36,768,749**

6.65% Convertible Debentures

The 6.65% Convertible Debentures of Calloway are listed and posted for trading on the TSX under the trading symbol "CWT.DB.A". The following table sets forth the reported high and low sales prices, the volume traded and the value traded for the 6.65% Convertible Debentures as reported by the TSX for the periods indicated:

	Price Range			
	High	**Low**	**Volume Traded**	**Value Traded**
2011				
January	$106.50	$105.75	8,920	945,553.70
February	$107.50	$105.00	10,280	1,091,871.40
March	$105.94	$104.40	10,930	1,150,161.90
April	$106.00	$105.51	9,680	1,022,130.10
May	$106.50	$105.51	15,240	1,614,063.90
June	$106.00	$104.31	9,270	977,281.50
July	$106.00	$104.50	17,130	1,801,470.80
August	$105.52	$101.95	12,680	1,316,543.40
September	$107.15	$104.50	8,060	851,022.70
October	$107.50	$104.25	86,100	9,202,436.50
November	$109.50	$106.50	23,590	2,550,107.10
December	$108.80	$106.76	16,800	1,812,396.40
Total for Periods			**228,680**	**24,335,039.40**

5.75% Convertible Debentures

The 5.75% Convertible Debentures are listed and posted for trading on the TSX under the trading symbol "CWT.DB.B". The following table sets forth the reported high and low sales prices, the volume traded and the value traded for the 5.75% Debentures as reported by the TSX for the periods indicated:

	Price Range			
	High	Low	Volume Traded	Value Traded
2011				
January	$106.50	$104.00	4,290	452,583.00
February	$107.99	$105.00	5,030	533,515.70
March	$106.00	$104.00	5,180	547,137.50
April	$107.50	$105.53	4,490	477,157.00
May	$107.00	$105.51	3,030	321,515.70
June	$107.50	$102.51	10,770	1,135,686.80
July	$106.00	$104.16	4,060	427,541.30
August	$106.03	$100.50	7,180	752,512.70
September	$105.56	$102.00	7,860	815,911.40
October	$105.30	$101.50	5,320	548,727.70
November	$108.53	$104.85	5,790	617,774.40
December	$108.80	$105.75	5,660	604,044.50
Total for Periods			**68,660**	**7,234,107.70**

RISK FACTORS

An investment in securities of Calloway involves a number of risks and uncertainties. This section describes the general material risks that management of Calloway believes may impact Calloway and the holders of its securities. If any of the following risks actually occur, Calloway's business, results of operations and financial condition, and the amount of cash available for distribution to Unitholders, could suffer. Further, the risks described below are not the only risks that Calloway faces. Additional risks not currently known to management of Calloway or that are currently deemed immaterial also may have a negative impact on Calloway and the holders of its securities.

Risks Relating to the Business

Real Property Ownership

All real property investments are subject to elements of risk. Such investments are affected by general economic conditions, local real estate markets, supply and demand for leased premises, competition from other available premises and various other factors.

Real estate has a high fixed cost associated with ownership, and income lost due to declining rental rates or increased vacancies cannot easily be minimized through cost reduction. Through well-located, well-designed and professionally managed properties, management seeks to reduce this risk. Management believes prime locations will attract high quality retailers with excellent covenants and will enable Calloway to maintain economic rents and high occupancy. By maintaining the property at the highest standard through professional management practices, management seeks to increase tenant loyalty.

The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants and upon the vacancy rates of Calloway's portfolio of income producing properties. Calloway's Adjusted Funds From Operations would be adversely affected if a significant number of tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in the properties in which Calloway has an interest were not able to be leased on economically favourable lease terms. In addition, the

Adjusted Funds From Operations of Calloway would be adversely affected by increased vacancies in Calloway's portfolio of income producing properties. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to Calloway than the existing lease. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting Calloway's investment may be incurred. Furthermore, at any time, a tenant of any of Calloway's properties may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such tenant's lease and thereby cause a reduction in the cash flow available to Calloway. The ability to rent unleased space in the properties in which Calloway has an interest will be affected by many factors. Costs may be incurred in making improvements or repairs to property. The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on Calloway's financial condition.

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the property is producing any income. If Calloway is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale.

Real property investments tend to be relatively illiquid with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. If Calloway were to be required to liquidate its real property investments, the proceeds to Calloway might be significantly less than the aggregate carrying value of its properties.

Calloway will be subject to the risks associated with debt financing on its properties and it may not be able to refinance its properties on terms that are as favourable as the terms of existing indebtedness. In order to minimize this risk, Calloway attempts to appropriately structure the timing of the renewal of significant tenant leases on the properties in relation to the time at which mortgage indebtedness on such properties becomes due for refinancing.

Calloway is reliant on the retail shopping centre market in general and on Wal-Mart in particular in meeting its financial targets. Significant deterioration of the retail shopping centre market in general or the financial health of Wal-Mart in particular could have an adverse effect on Calloway's business, financial condition or results of operations.

Debt Financing

As at December 31, 2011, Calloway had outstanding indebtedness of approximately $2,702 million, of which approximately $1,690 million was principal payments and debt maturing prior to January 1, 2017. In addition, approximately 1.7% of Calloway's indebtedness, as a percentage of Gross Book Value, was variable rate debt as at December 31, 2011. See "Overview of the Property Portfolio - Financing".

The ability of Calloway to make cash distributions or make other payments or advances is subject to applicable laws and contractual restrictions contained in the instruments governing its indebtedness. The degree to which Calloway is leveraged could have important consequences to the holders of its securities, including: that Calloway's ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; that a significant portion of Calloway's cash flow from operations may be dedicated to the payment of the principal of and interest on its indebtedness, thereby reducing funds available for future operations and distributions; that certain of Calloway's borrowings may be at variable rates of interest, which exposes it to the risk of increased interest rates; and that Calloway may be vulnerable to economic downturns including Calloway's ability to retain and attract tenants. Also, there can be no assurance that Calloway will continue to generate sufficient cash flow from operations to meet required interest and principal payments. Further, Calloway is subject to the risk that any of its existing indebtedness may not be able to be refinanced upon maturity or that the terms of such financing may not be as favourable as the terms of its existing indebtedness. These factors may adversely affect Calloway's cash distributions.

Calloway's various credit facilities provide lenders with first charge security interests on most of the income producing properties in its portfolio. These credit facilities contain numerous terms and covenants that limit the discretion of management with respect to certain business matters. These covenants place restrictions on, among other things, the ability of Calloway to create liens or other encumbrances, to make certain payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the credit facilities contain a number of financial covenants that require Calloway to meet certain financial ratios and financial condition tests. For example, certain of Calloway's loans require specific loan to value and debt service coverage ratios which must be maintained by Calloway. A failure to comply with the obligations in the credit facilities could result in a default which, if not cured or waived, could result in acceleration of the relevant indebtedness. If the indebtedness under the credit facilities were to be accelerated, there can be no assurance that the assets of Calloway would be sufficient to repay that indebtedness in full.

Interest and Financing Risk

In the low interest rate environment that the Canadian economy has experienced in recent years, leverage has enabled Calloway to enhance its return to Unitholders. A reversal of this trend, however, can significantly affect Calloway's ability to meet its financial obligations. In order to minimize this risk, Calloway's policy is to negotiate fixed rate term debt with staggered maturities on the portfolio and match average lease maturity to average debt maturity. Derivative financial instruments may be utilized by Calloway in the management of its interest rate exposure. Calloway's policy is not to utilize derivative financial instruments for trading or speculative purposes. In addition, Calloway's Declaration of Trust restricts total indebtedness permitted on the portfolio.

Interest rate changes will also affect Calloway's development portfolio. Calloway has entered into development agreements that obligate Calloway to acquire up to approximately 2.7 million square feet of additional income properties at a cost determined by capitalizing the rental income at pre-determined rates. Subject to the ability to obtain financing on acceptable terms, Calloway anticipates that it will finance these acquisitions by issuing additional debt and equity. Changes in interest rates will have an impact on the return from these acquisitions and, should the rate exceed the capitalization rate used, could result in a purchase being non-accretive. This risk is mitigated as Calloway has certain rights of approval over the developments.

Operating facilities and development loans exist that are priced at a risk premium over short-term rates. Changes in short-term interest rates will have an impact on the cost of funds. In addition, there is a risk that the lenders will not refinance upon maturity. By restricting the amount of variable interest rate debt and the short-term debt, Calloway has minimized the impact on financial performance.

Liquidity Risk

Liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to lease out vacant units. Due to the dynamic nature of the underlying business, Calloway aims to maintain flexibility and opportunities in funding by keeping committed credit lines available, obtaining additional mortgages as the value of income-producing properties increases and issuing convertible debentures. During 2011, Calloway has been able to renew and increase its operating facilities, raise additional term mortgage financing and issue unsecured debentures, convertible debentures and equity. However, there is no guarantee that it will continue to be able to do so. Calloway's liquidity position is monitored by Calloway on a regular basis. The key assumptions used in Calloway's estimates of future cash flows when assessing liquidity risk are capital markets remaining liquid and no major bankruptcies of large tenants. Management believes it has considered all reasonable facts and circumstances as of today in forming appropriate assumptions. However, as always, there is a risk significant changes in market conditions could alter the assumptions used.

Capital Requirements

Calloway accesses the capital markets from time to time through the issuance of debt, equity or equity related securities. If Calloway were unable to raise additional funds or renew existing maturing debt on favourable terms, then acquisition or development activities may be curtailed, asset sales accelerated, property specific financing, purchase and development agreements re-negotiated, and monthly cash distributions reduced or suspended. However, Calloway anticipates accessing the capital markets on favourable terms due to its high occupancy levels and low lease maturities, combined with strong national tenants in prime retail locations.

Credit Risk

Credit risk arises from cash and cash equivalents, as well as credit exposures with respect to tenant receivables and mortgages and loans receivable. Tenants may experience financial difficulty and become unable to fulfill their lease commitments. Calloway mitigates this risk of credit loss by reviewing tenants' covenants, ensuring its tenant mix is diversified and by limiting its exposure to any one tenant, except Wal-Mart Canada because of its creditworthiness. Further risks arise in the event that borrowers may default on the repayment of amounts owing to Calloway. Calloway endeavours to ensure adequate security has been provided in support of mortgages and loans receivable. The failure of Calloway's tenants or borrowers to pay Calloway amounts owing on a timely basis or at all would have an adverse effect on Calloway's financial condition. Calloway limits cash transactions to high-credit-quality financial institutions to minimize its credit risk from cash and cash equivalents.

General Uninsured Losses

Calloway carries 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 wars or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. Calloway has insurance for earthquake risks, 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 uninsured or underinsured loss occur, Calloway could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, but Calloway would continue to be obliged to repay any recourse mortgage indebtedness on such properties.

Development Risks

Development risk arises from the possibility that developed space will not be leased or that costs of development will exceed original estimates, resulting in an uneconomic return from the leasing of such developments. Calloway mitigates this risk by not commencing construction of any development until sufficient lease-up has occurred and by entering into fixed price contracts for development costs.

Competition for Real Property Investments

Over the long term, to the extent that opportunities exist and to the extent that management and the Board of Trustees believe such opportunities are beneficial to Unitholders, Calloway intends to expand its asset base and increase Adjusted Funds From Operations by pursuing an external growth strategy. Calloway intends to actively seek accretive acquisitions in its existing and adjacent markets and in new Canadian markets that present opportunities for favourable returns. However, Calloway competes for suitable real property investments with individuals, corporations, other real estate investment trusts and similar vehicles, and institutions (both Canadian and foreign) which are presently seeking or which may seek in the future real property investments similar to those desired by Calloway. As such, there can be no guarantee that Calloway will be successful in making such acquisitions.

Environmental Matters

As an owner of real property, Calloway will be subject to various federal, provincial, territorial and municipal laws relating to environmental matters. Such laws provide that Calloway 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 Calloway's ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims against Calloway. Calloway is not aware of any material non-compliance with environmental laws at any of its properties. Calloway 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. Calloway has policies and procedures to review and monitor environmental exposure. It is Calloway's operating policy to obtain a Phase I environmental assessment on all properties prior to acquisition. Further investigation is conducted if the Phase 1 assessments indicate a problem. In addition, the standard lease requires compliance with environmental laws and regulations and restricts tenants from carrying on environmentally hazardous activities or having environmentally hazardous substances on site. Calloway has obtained environmental insurance on certain assets to further manage risk.

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

Potential Conflicts of Interest

Calloway may be subject to various conflicts of interest because of the fact that the Trustees and executive management, and their associates, are engaged in a wide range of real estate and other business activities. Calloway may become involved in transactions which conflict with the interests of the foregoing. The Trustees, executive management and their associates or affiliates may from time to time deal with persons, firms, institutions or corporations with which Calloway may be dealing, or which may be seeking investments similar to those desired by Calloway. The interests of these persons could conflict with those of Calloway. In addition, from time to time, these persons may be competing with Calloway for available investment opportunities. The Declaration of Trust contains "conflicts of interest" provisions requiring Trustees to disclose material interests in material contracts and transactions and refrain from voting. See "Management of Calloway – Conflict of Interest Restrictions and Provisions".

Reliance on Key Personnel

Management of Calloway depends on the services of certain key personnel. Investors who are not prepared to rely on this management should not invest in Units. The loss of the services of key personnel could have an adverse effect on Calloway. Calloway does not have key man insurance on any of its key employees.

Trustees

The Trustees, with the exception of Al Mawani, will not devote their full time and attention to the affairs of Calloway. In addition, SmartCentres has the ability to appoint members to the Board of Trustees and certain committees of the Board of Trustees disproportionate to their relative percentage ownership in Trust Units. See "Declaration of Trust and Description of Units - Trustees".

Risks Relating to the Units

Potential Volatility of Unit Prices

The price for the Units could be subject to wide fluctuations in response to quarter-to-quarter variations in operating results, the gain or loss of significant properties, changes in income estimates by analysts and market conditions in the industry, as well as general economic conditions or other risk factors set out herein. In addition, stock markets have experienced volatility that has affected the market prices for many issuers' stocks and that often has been unrelated to the operating performance of such issuers. These market fluctuations may adversely affect the market price of the Units.

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

One of the factors that may influence the market price of the Units is market interest rates relative to the monthly cash distributions of Calloway to the Unitholders. An increase in market interest rates or a decrease in monthly cash distributions by Calloway could adversely affect the market price of the Units. In addition, the market price for the

Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors beyond the control of Calloway.

Cash Distributions are Not Guaranteed and will Fluctuate with Calloway's Performance

A return on an investment in Units is not comparable to the return on an investment in a fixed-income security. The recovery of an investment in Units is at risk, and any anticipated return on an investment in Units is based on many performance assumptions.

Although Calloway intends to make distributions of a significant percentage of its available cash to its Unitholders, these cash distributions are not assured and may be reduced or suspended. The ability of Calloway to make cash distributions and the actual amount distributed will be dependant upon, among other things, the financial performance of the properties in its Property Portfolio, its debt covenants and obligations, its working capital requirements and its future capital requirements. In addition, the market value of the Units may decline for a variety of reasons including if Calloway is unable to meet its cash distribution targets in the future, and that decline may be significant.

It is important for a person making an investment in Units to consider the particular risk factors that may affect both Calloway and the real estate industry in which Calloway operates and which may therefore affect the stability of the cash distributions on the Units. See the other risk factors set out in this section which describes Calloway's assessment of those risk factors, as well as the potential consequences to a Unitholder if a risk should occur. Also see the section of this annual information form entitled "Ratings on Securities".

Return of Capital

The after-tax return from an investment in Units to Unitholders that is subject to Canadian income tax can be made up of both a "return on" and a "return of" capital. That composition may change over time, thus affecting a Unitholder's after-tax return. Returns on capital are generally taxed as ordinary income, capital gains or as dividends in the hands of a Unitholder. Returns of capital are generally tax-deferred (and reduce the Unitholder's cost base in the unit for tax purposes).

Availability of Cash Flow

Cash distributions to Unitholders may be reduced from time to time if such distributions would exceed the cash obligations of Calloway from time to time due to items such as principal repayments, tenant allowances, leasing commissions and capital expenditures and redemption of Units, if any. Calloway may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items. Calloway anticipates temporarily funding such items, if necessary, through an operating line of credit in expectation of refinancing long-term debt on its maturity.

Stability Ratings

See "Ratings on Securities"

Tax Related Risk Factors

SIFT Rules

Legislation

On June 22, 2007 the Tax Act was amended to create a new tax regime (the "**SIFT Rules**") for certain publicly traded income trusts (each a "**SIFT**"). Under the SIFT Rules, unless a trust is able to qualify as a "real estate investment trust", such a trust will generally be subject to tax on the "non-portfolio earnings" distributed to its unitholders at a rate similar to the combined federal and provincial corporate rates.

A SIFT includes a trust resident in Canada with publicly traded units that holds one or more "non-portfolio properties". "**Non-portfolio properties**" include certain investments in real properties situated in Canada and certain investments in corporations and trusts resident in Canada and in partnerships with specified connections in Canada. Calloway will be a SIFT for purposes of the SIFT Rules unless it qualifies for the REIT Exception described below under the heading "REIT Exception".

Effective Dates for New Taxation Regime

The SIFT Rules apply beginning with the 2007 taxation year of a trust unless the trust qualifies as an "**Existing Trust**", being a trust in existence on October 31, 2006 that would have been a SIFT trust on October 31, 2006 if the definition of "SIFT trust" had been in force on that date and applied to the trust on that date (the "**Existing Trust Exception**"). For trusts that meet the Existing Trust Exception, the SIFT Rules will apply commencing with the earlier of the trust's 2011 taxation year and the first taxation year of the trust in which it exceeds "normal growth" as determined under the Growth Guidelines described below. The SIFT Rules include the "**Undue Expansion Rule**" which, if it applies, could cause a trust to become subject to the new taxation regime introduced by the SIFT Rules as early as its 2007 taxation year. On December 15, 2006, the Department of Finance (Canada) provided further guidance as to what is meant by "normal growth" in the context of the Undue Expansion Rule (the "**Growth Guidelines**"). Specifically, the Department of Finance (Canada) stated that it will not recommend any change to the 2011 date in respect of any SIFT whose equity capital grows as a result of issuances of new equity (including trust units and debt that is convertible into trust units), in any of the intervening periods described below, by an amount that does not exceed the greater of $50 million and an objective "**safe harbour**". The Department of Finance (Canada) indicated that the safe harbour amount will be measured by reference to a SIFT's market capitalization as of the end of trading on October 31, 2006, and will be measured in terms of a SIFT's issued and outstanding publicly-traded units (the "**Market Capitalization**"). For the period from November 1, 2006 to the end of 2007, a SIFT's safe harbour will be 40 percent of the Market Capitalization on October 31, 2006. A SIFT's safe harbour for each of the 2008 through 2010 calendar years will be 20 percent of that benchmark. Two substantive revisions were made to the Growth Guidelines effective December 4, 2008. Firstly, the available safe harbour must be shared between a parent SIFT and its subsidiary SIFTs in certain circumstances. Secondly, the Growth Guidelines were revised to accelerate the safe harbour amount for each of 2009 and 2010. This latter change allows the SIFT to use the remaining safe harbour room available in a single year rather than staging it over the 2009 and 2010 years. Management of Calloway believes that all offerings made by Calloway since October 31, 2006 fall within the safe harbour limits. There can be no assurance that any other additions to the capital or assets of Calloway will not, alone or in combination with each other, constitute an "undue expansion" under the Undue Expansion Rule in the SIFT Rules. The Undue Expansion Rule would only be relevant to Calloway if it does not qualify for the REIT Exception.

REIT Exception

The new taxation regime introduced by the SIFT Rules is not applicable to trusts that qualify for the exception under the SIFT Rules applicable to certain REITs (the "**REIT Exception**"). On December 16, 2010, the Department of Finance (Canada) announced further intended amendments and clarifications to the REIT Exception. The Minister of Finance (Canada)'s stated intention is to exempt certain REITs from taxation as SIFTs in recognition of "the unique history and role of collective real estate investment vehicles". If Calloway fails to qualify for the REIT Exception, Calloway will be subject to the new tax regime introduced by the SIFT Rules.

In particular, assuming the enactment of the further amendments and clarifications announced by the Department of Finance (Canada) on December 16, 2010, to qualify for the REIT Exception in a particular taxation year (i) the total fair market value at all times during the taxation year of all "non-portfolio properties" that are "qualified REIT properties" held by the REIT must be at least 90% of the total fair market value at that time of all non-portfolio properties held by the REIT (ii) not less than 90% of the REIT's "gross REIT revenue" for the taxation year must be from one or more of the following: (A) rent from "real or immovable properties"; (B) interest; (C) capital gains from dispositions of real or immovable properties; (D) dividends,(E) royalties and (F) gains from dispositions of "eligible resale properties" (iii) not less than 75% of the REIT's "gross REIT revenue" for the taxation year must be from one or more of the following: (A) rent from "real or immovable properties"; (B) interest from mortgages, or hypothecs, on real or immovable property, (C) capital gains from dispositions of real or immovable properties, (iv) investments in the REIT are, at any time in the taxation year, listed or traded on a stock exchange or other public market, and (v) at each time in the taxation year an amount, that is equal to 75% or more of the equity value of the REIT at that time, is the amount that is the amount of the total fair market value of all properties held by the REIT each of which is real or immovable property, indebtedness of a Canadian corporation represented by a bankers acceptance, money and deposits (within the meaning of the Canada Deposit Insurance Corporation Act or with a branch in Canada of a bank) of such money standing to the credit of the REIT, certain debt obligations issued by certain debtors, including Canadian federal, provincial or municipal governments or crown corporations or certain debt obligations guaranteed by the federal government of Canada otherwise then being insured by the Canada Deposit Insurance Corporation, or deposits with a credit union. Generally, the SIFT Rules contain a look-through rule under which a REIT could qualify for the REIT Exception where it holds its Canadian real properties indirectly through intermediate entities.

Application to Calloway

As noted above, the SIFT Rules will apply to an Existing Trust (other than REITs that qualify for the REIT Exception) commencing with the earlier of the Existing Trust's 2011 taxation year and the first taxation year of the Existing Trust in which it exceeds "normal growth" as determined under the Growth Guidelines described above. Accordingly, unless the REIT Exception is applicable to Calloway, the SIFT Rules could impact the level of cash distributions which would otherwise be made by Calloway and the taxation of such distributions to holders of Units.

Based on the legislation as it is now enacted and proposed to be enacted, it would appear that Calloway, as currently structured, does qualify for the REIT Exception. Therefore, Calloway, as currently structured, is not subject to the SIFT Rules. However, until such time that the proposed amendments are passed and become substantially enacted, Calloway cannot rely on the amended REIT Exception, as proposed to be amended by the Department of Finance (Canada) on December 16, 2010, for financial reporting purposes. As a result, starting January 1, 2011, since Calloway does not meet the existing REIT Exception, it will be required to record future income taxes and a current tax provision for accounting purposes. If the proposed amendments are enacted as currently proposed, previously recorded future and current taxes, if any, will be reversed. The effective date of the proposed amendments, if enacted as currently proposed, would be January 1, 2011. However, no assurance can be given that Calloway will qualify for the REIT Exemption if the proposed amendments to the Tax Act are not substantially enacted as currently proposed.

Changes in Legislation

There can be no assurance that Canadian federal income tax laws respecting the treatment of mutual fund trusts, including real estate investment trusts, will not be changed in a manner which adversely affects the holders of Units.

Qualification as a "Mutual Fund Trust" or Registered Investment

If Calloway ceases to qualify as a "mutual fund trust" or "registered investment" under the Tax Act, the income tax considerations for Unitholders would be materially and adversely different in certain respects, including that Units may cease to be qualified investments for Plans and may become foreign property for Plans and other tax-exempt entities. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments.

Tax Deferred Distributions

The extent to which distributions will be tax deferred in the future will depend in part on the extent to which Calloway is able to deduct capital cost allowance relating to properties directly held by Calloway.

Structural Subordination of the Units

In the event of a bankruptcy, liquidation or reorganization of Calloway or its subsidiaries, holders of certain of their indebtedness and certain trade creditors will generally be entitled to payment of their claims from the assets of Calloway or its subsidiaries before any assets are made available for distribution to Calloway. The Units will be effectively subordinated to most of the indebtedness and other liabilities of Calloway and its subsidiaries. Neither Calloway nor its subsidiaries will be limited in their ability to incur secured or unsecured indebtedness.

Redemption Right

It is anticipated that the redemption right will not be the primary mechanism for Unitholders to liquidate their investments. Further, the entitlement of holders of Units to receive cash upon the redemption of their Units is subject to limitations. Also, securities and/or obligations of Calloway which may be distributed in specie to Unitholders in connection with a redemption will not be listed on any stock exchange and no established market is expected to develop for such securities and/or obligations. See "Declaration of Trust and Description of Units - Redemption Right".

Distribution of Securities on Redemption or Termination of the Trust

Upon a redemption of Units or termination of Calloway, the Trustees may distribute securities and/or obligations of Calloway or held by Calloway directly to the Unitholders, subject to obtaining any required regulatory approvals. Such securities and/or obligations so distributed may not be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans, depending upon the circumstances at the time. Further, no established market may exist for the securities so distributed at the time of the distribution and no market may ever develop. See "Declaration of Trust and Description of Units - Redemption Right".

Unitholder Liability

Certain provinces in Canada have passed legislation that creates a statutory limitation on the liability of unitholders of income trusts. The legislation provides that a Unitholder will not be, as a beneficiary, liable for any act, default, obligation or liability of the Trustees that arises after the legislation comes into effect. However, the legislation has not yet been judicially considered and it is possible that reliance upon the legislation by a Unitholder could be successfully challenged on jurisdictional or other grounds.

Further, the Declaration of Trust provides that no Unitholder will be subject to any liability in connection with Calloway or its obligations and affairs and, in the event that a court determines Unitholders are subject to any such liabilities, the liabilities will be enforceable only against, and will be satisfied only out of, the Unitholder's share of Calloway's assets. Pursuant to the Declaration of Trust, Calloway will reimburse each Unitholder for any costs, damages, liabilities, expenses, charges and losses suffered by a Unitholder resulting from or arising out of any payment of a Calloway obligation by a Unitholder.

Further, the Declaration of Trust provides that written instruments signed by or on behalf of Calloway shall, if practicable, contain a provision to the effect that such obligation will not be binding upon Unitholders personally. Notwithstanding the terms of the Declaration of Trust, Unitholders may not be protected from liabilities of Calloway to the same extent as a shareholder is protected from the liabilities of a corporation. Personal liability may also arise in respect of claims against Calloway (to the extent that claims are not satisfied by Calloway) that do not arise under contracts, including claims in tort, claims for taxes and possibly certain other statutory liabilities.

The business of Calloway will be conducted, upon the advice of counsel, in such a way and in such jurisdictions as to avoid as far as possible any material risk of liability to the Unitholders for claims against Calloway including, where commercially reasonable, by obtaining appropriate insurance, where available, for the operations of Calloway and, where commercially reasonable, having written agreements signed by or on behalf of Calloway include a provision that such obligations are not binding upon Unitholders personally.

However, in conducting its affairs, Calloway will be acquiring, and has acquired, real property investments subject to existing contractual obligations, including obligations under mortgages and leases. The Trustees will use all reasonable efforts to have any such obligations under mortgages on its properties and material contracts, other than leases, modified so as not to have such obligations binding upon any of the Unitholders or annuitants personally. However, Calloway may not be able to obtain such modification in all cases. To the extent that claims are not satisfied by Calloway, there is a risk that a Unitholder or annuitant will be held personally liable for obligations of Calloway where the liability is not disavowed as described above.

Nature of Units

Securities such as the Units share certain, though not all, attributes common to shares of a company. As holders of Units, Unitholders will not have the statutory rights normally associated with ownership of shares of a company including, for example, the right to bring "oppression" or "derivative" actions.

Further, the Units are not "deposits" within the meaning of the Canada Deposit Insurance Corporations Act (Canada) and are not insured under the provisions of the Act or any other legislation.

Dilution

Calloway is authorized to issue an unlimited number of Units. Any issuance of Units may have a dilutive effect on existing Unitholders.

Unitholder Holding a Significant Number of Units

Further, according to reports filed under applicable Canadian securities legislation, as at December 31, 2011, Mitchell Goldhar of Vaughan, Ontario beneficially owns or controls a number of the outstanding Units which, together with the securities he beneficially owns or controls which are exchangeable at his option for Units for no additional consideration and the associated Special Voting Units, represent an approximately 20.3% voting interest in Calloway. Further, according to the above mentioned reports, as at December 31, 2011, Mr. Goldhar beneficially owns or controls additional rights to acquire Units which, if exercised or converted, would result in him increasing his beneficial economic and voting interest in Calloway to as much as approximately 27.6%. Notwithstanding the foregoing, if in any given 365 day period prior to July 1, 2015, the average weighted aggregate number of Special Voting Units plus Units held or controlled by SmartCentres is equal to or greater than the lesser of 20,000,000 or 20% of the aggregate issued and outstanding Units plus Special Voting Units, then so long as Mr. Mitchell Goldhar remains a Trustee and SmartCentres directly or indirectly beneficially own or control less than 25% of the voting rights attached to all voting securities of Calloway, Calloway shall issue such number of additional Special Voting Units which will entitle SmartCentres to cast 25% of the votes attached at a meeting of the holders of Voting Units.

Risks Relating to the Debentures

Refinancing or Repayment of Debentures on Maturity

Calloway intends to refinance its existing Debentures on maturity. However, Calloway is subject to the risk that any of its existing indebtedness, including its Debentures, may not be able to be refinanced on maturity or that the terms of such financing may not be as favourable as the terms of its existing indebtedness, including the terms of its existing Debentures. Further, if it cannot refinance the Debentures on maturity, there can be no assurance that Calloway will be able to generate sufficient cash flow from operations, or generate sufficient capital through other means such as equity financings or asset sales, to meet required principal payments on its outstanding Debentures. Failure to meet its obligations under the Debentures would likely have an adverse effect on Calloway's financial condition and the value of the Units and the Debentures. Also see "Risk Factors - Risks Relating to the Business - Debt Financing", "Risk Factors - Risks Relating to the Business - Interest and Financing Risk" and "Risk Factors - Risks Relating to the Business - Capital Requirements"." Due to the quality and location of Calloway's real estate, management is confident that Calloway will be able to meet its financing requirements.

Credit Ratings

See "Ratings on Securities".

Structural Subordination of Debentures

Liabilities of a parent entity with assets held by various subsidiaries may result in the structural subordination of the lenders of the parent entity. The parent entity is entitled only to the residual equity of its subsidiaries after all debt obligations of its subsidiaries are discharged. In the event of a bankruptcy, liquidation or reorganization of

Calloway, holders of indebtedness of Calloway (including holders of Debentures) may become subordinate to lenders to the subsidiaries of Calloway.

Certain of the subsidiaries of Calloway have provided a form of guarantee pursuant to which the trustee for the Debentures is, subject to the indentures governing the Debentures, entitled to seek redress from such subsidiaries for the guaranteed indebtedness. These guarantees are intended to eliminate structural subordination which arises as a consequence of Calloway's assets being held in various subsidiaries. Although all subsidiaries which own material assets have provided a guarantee, not all subsidiaries of Calloway have provided such a guarantee. In addition, there can be no assurance that the trustee for the Debentures will, or will be able to, effectively enforce the guarantee.

Market Value Fluctuation

Prevailing interest rates will affect the market value of the Debentures, as they carry a fixed interest rate. Assuming all other factors remain unchanged, the market value of the Debentures, which carry a fixed interest rate, will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

Trading Market for Debentures

If the Debentures are traded by a holder after their acquisition by that holder, they may trade at a discount from their acquisition cost to the holder depending on prevailing interest rates, the market for similar securities, the performance of Calloway and other factors. No assurance can be given as to whether an active trading market will develop or be maintained for the Debentures. To the extent that an active trading market for the Debentures does not develop, the liquidity and trading prices for the Debentures may be adversely affected. The Series B 5.37% Debentures, the Series D 7.95% Debentures, the Series E 5.10% Debentures, the Series F 5.00% Debentures and the Series G 4.70% Debentures are not listed for trading on any stock exchange. The 5.75% Convertible Debentures and the 6.65% Convertible Debentures are listed for trading on the Toronto Stock Exchange.

Conversion Following Certain Transactions

In the case of certain transactions, each of the 5.75% Convertible Debentures and the 6.65% Convertible Debentures will become convertible into the securities, cash or property receivable by a holder of Units in the kind and amount of securities, cash or property into which the 5.75% Convertible Debenture or the 6.65% Convertible Debenture, as applicable, was convertible immediately prior to the transaction. This change could substantially lessen or eliminate the value of the conversion privilege associated with such Debentures in the future. For example, if Calloway was acquired in a cash merger, each such Debenture would become convertible solely into cash and would no longer be convertible into Units whose value would vary depending on Calloway's future prospects and other factors.

Dilutive Effects on Holders of Units in the Event of the Redemption of Convertible Debentures

Calloway may determine to redeem the 5.75% Convertible Debentures and the 6.65% Convertible Debentures, and / or any other outstanding convertible debentures it may have issued from time to time, for Units or to settle the interest and/or pay the redemption price at maturity of such convertible debentures by issuing additional Units. Accordingly, holders of Units may suffer dilution in the event of any such redemption.

Statutory Remedies

Calloway is not a legally recognized entity within the relevant definitions of the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act and in some cases, the Winding Up and Restructuring Act. As a result, in the event a restructuring of Calloway were necessary, Calloway would not be able to access the remedies available thereunder. In the event of a restructuring, a holder of Debentures may be in a different position than a holder of secured indebtedness of a corporation.

MANAGEMENT OF CALLOWAY

General

An experienced and capable executive management team provides strategic direction to Calloway, subject to the supervision of the Board of Trustees. Members of the executive management team have an extensive understanding of the commercial real estate industry in Calloway's target markets. The executive management of Calloway seeks to achieve and maintain geographic asset diversity, staggered lease maturities, staggered debt maturities, reasonable asset leverage, strong tenant covenants, high occupancy rates with contractual rental rate increases and appropriate capital improvement and redevelopment programs. All of Calloway's investments are subject to specific investment guidelines and the operations of Calloway are subject to specific operating policies. See "Investment Guidelines and Operating Policies".

Trustees and Executive Officers of Calloway

The following table sets forth the name, age, province or state and country of residence, office held with Calloway, experience and principal occupation during at least the last five (5) years of each of the current Trustees and executive officers of Calloway:

Name, Age and Residence	Current Office In Calloway(4)	Principal Occupation
Al Mawani, 60 Ontario, Canada	President, Chief Executive Officer and Trustee	President and Chief Executive Officer of Calloway since May 2, 2011. Mr. Mawani previously served as president of Exponent Capital Partners Inc., a real estate advisory and private equity firm. Prior to January 31, 2004, Mr. Mawani was Vice-President of Industrial Promotion Services division of Aga Khan fund for Economic Development, another private equity organization. Prior thereto, Mr. Mawani was Executive Vice-President of Business Development for one year and Senior Vice-President and Chief Financial Officer for 10 years at Oxford Properties Group Inc., one of Canada's largest real estate companies. Mr. Mawani is a Chartered Accountant and has a Masters in Business Administration from the University of Toronto and a Masters of Laws from Osgoode Hall Law School. He is also a member of the Financial Executives Institute. Trustee of Calloway since March 14, 2005.
Mitchell Goldhar, 50 Ontario, Canada (2)(5)	Trustee	Mitchell Goldhar is the owner of SmartCentres, a private shopping centre development company in Toronto, Ontario. Mr. Goldhar has been in the real estate development business for over 25 years. Since opening the first new Canadian Wal-Mart store in Barrie, Ontario in 1994, Mr. Goldhar has developed over 200 shopping centres across Canada (including the development of 164 Wal-Mart stores). Mr. Goldhar is a graduate of York University with a Bachelor of Political Science (1985). He teaches at the University of Toronto, Rotman School of Management and is a Director Emeritus of The Hospital for Sick Children, after serving his 9 year term on the board. Mr. Goldhar is also a member of the Board of Directors of Indigo Books & Music Inc. Trustee of Calloway since July 8, 2005.
Jamie M. McVicar, 53 Alberta, Canada (1)(3)	Trustee	Chief Financial Officer then Vice President Finance and Administration at Devonian Properties Inc., a property development company, from October, 2000 to 2011, which job responsibilities included preparation of audited financial statements for several joint venture investment vehicles and corporate financial statements. President of Newell Post Developments Ltd., a property development company, from June, 1998 to June, 2000. Legal counsel for Oxford Development Group, a property development company, from 1988 to June, 1998. Trustee of Calloway since December 4, 2001 and has served as a member of

Name, Age and Residence	Current Office In Calloway[4]	Principal Occupation
		Calloway's Audit Committee since 2003. Mr. McVicar is a member of the Law Society of Alberta and has a Bachelor of Commerce from the University of Alberta (1980), Bachelor of Laws from the University of Western Ontario (1981) and Masters of Business Administration from the University of Toronto (1982).
Kevin B. Pshebniski, 49 Arizona, USA [2][3]	Trustee	President of Hopewell Development Corporation, a property development company, from September, 1998 to present. Chief Operating Officer of Hopewell Development Corporation from September 1997 to September, 1998. Vice-President with Hopewell Group of Companies from January, 1996 to September, 1997. Trustee of Calloway since December 4, 2001. Mr. Pshebniski holds a Bachelor of Science (Geol. Major) and a Bachelor of Laws from the University of Manitoba.
Michael Young, 67 Texas, USA [3][5]	Trustee	President of Quadrant Capital Partners, a private equity firm in Dallas, Texas since November, 2003. Managing Director for CIBC World Markets from 1994 to October, 2003 and was appointed Global Head of Real Estate for CIBC World Markets in 1997. Trustee of Calloway since November 11, 2003. Mr. Young holds a Bachelors degree from the University of Western Ontario (1967).
Peter Forde, 57 Ontario, Canada [2][5]	Trustee	Chief Operating Officer of SmartCentres, a private shopping centre development company in Vaughan, Ontario, since September, 2005. Executive Vice-President Finance and Administration of SmartCentres from 1998 to September, 2005, Vice-President and Chief Financial Officer of Nexacor Realty Management Inc. (real estate subsidiary of Bell Canada) from January, 1996 to February, 1998. Mr. Forde is a Chartered Accountant and has a Bachelor of Business Administration degree from York University (1977). Trustee of Calloway since July 8, 2005.
Huw Thomas, 59 Ontario, Canada [1] [2]	Trustee	Served in various senior financial roles at Canadian Tire Corporation, Limited, including nine years as Chief Financial Officer from 2000 to 2009 and, from November 2009 until December 2010, as Executive Vice-President, Financial Strategy and Performance. Member of the board of directors, a member of the Audit Committee and a member of the Nominating and Governance Committee of Dollorama Inc. since 2011. Trustee and Chairman of the Audit Committee of Calloway since April 1, 2011. Trustee of the Board of Trustees of Connors Bros. Income Fund from 2005 to 2008. Chairman of the Risk Oversight and Governance Committee of the Canadian Institute of Chartered Accountants. Mr. Thomas holds a Bachelor of Science degree in Economics from the University of London (U.K.), and is a certified U.K. and Canadian Chartered Accountant.
Gillian Denham, 51 Ontario, Canada [1]	Trustee	Corporate Director of National Bank of Canada since 2010 and trustee and member of the Audit Committee of Morneau Sobeco Income Fund since 2008. Vice Chair, Retail Markets at the Canadian Imperial Bank of Commerce (CIBC) from 2001 to 2005. Prior to that time, she held various positions at CIBC and at Wood Gundy from 1983 until it was subsequently acquired by CIBC. Member of the board of directors and Chair of the Human Resources and Compensation Committee of the Ontario Teachers' Pension Plan from 2006 to 2010. Member of the board of governors and the audit committee of Upper Canada College. Trustee of Calloway since April 1, 2011. Ms. Denham holds an Honours Business Administration (HBA) from the University of Western Ontario School of Business and an MBA from Harvard Business School..

Name, Age and Residence	Current Office In Calloway[(4)]	Principal Occupation
Bart Munn, 55 Ontario, Canada	Chief Financial Officer	Chief Financial Officer of Calloway since December, 2005. Vice President and Chief Financial Officer of Morguard Corporation, a publicly traded owner and manager of commercial and residential real estate, from 1999 to 2005. Vice President and Chief Financial Officer of Morguard Real Estate Investment Trust from 1997 to 1999. Also held the position of Senior Vice President Finance & Administration for Morguard Investments Limited, a wholly owned subsidiary of Morguard Corporation, from 1991 until 2005. Mr. Munn is a Chartered Accountant.
Rudy Gobin, 50 Ontario, Canada	Executive Vice President Asset Management	Executive Vice President Asset Management of Calloway since January, 2007. Executive Vice President, Finance and Operations of SmartCentres, a private shopping centre development company in Vaughan, Ontario, from 2001 to December, 2006. Chief Financial Officer of Nexacor Realty Management Inc. (real estate subsidiary of Bell Canada) from March, 1998 to May, 2001. Mr. Gobin is a Chartered Accountant and Certified Management Accountant and has a Bachelor of Commerce from the University of Toronto (1987).
Mario Calabrese, 51 Ontario, Canada	Vice President & Controller	Vice President & Controller of Calloway since May 2009. Senior Director, Operations Accounting of Calloway from January 2007 to May 2009. Senior Director, Operations Accounting of SmartCentres from April 2005 to December 2006. Corporate Controller of SNC Lavalin Nexacor from 2000 to 2005. Accounting Manager at Oxford Properties Group 1997-1999. Mr. Calabrese has a Bachelor of Commerce (1983) and Diploma in Accountancy (1986) from Concordia University. Mr. Calabrese is a Chartered Accountant.
Steve Liew, 39 Ontario, Canada	Vice President Acquisitions & Finance	Vice President Acquisitions & Finance of Calloway since March 2010. Vice President Finance of Calloway from June 2005 to March 2010. From February 2001 to June 2005, Mr. Liew held various development and finance positions with First Pro (now SmartCentres), most recently as Director Corporate Finance. Mr. Liew has a Bachelor of Applied Science and Engineering (Civil) from the University of Toronto (1995).

Notes:

(1) Member of the Audit Committee. For further details on the Audit Committee, please refer to the section entitled "Audit Committee".
(2) Member of the Investment Committee.
(3) Member of Corporate Governance and Compensation Committee.
(4) Each of the Trustees serves in such capacity until the next annual meeting of Unitholders of Calloway unless re-elected or appointed at that Meeting to serve for a further one year term.
(5) Appointed as a Trustee by SmartCentres pursuant to its rights under the Declaration of Trust. See "Declaration of Trust and Description of Units – Trustees".

As of December 31, 2011, the Trustees and executive officers of Calloway, as a group, beneficially owned or controlled, directly and indirectly, 25,643,911 Units (23.91% of issued and outstanding Units) and 13,536,600 Special Voting Units (77.4% of the issued and outstanding Special Voting Units), for a total of 31.4% of the issued and outstanding Voting Units. Notwithstanding the foregoing, see the section entitled "Declaration of Trust and Description of Units – Special Voting Units" which describes circumstances under which Mr. Goldhar, via SmartCentres, may acquire additional Special Voting Units.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as set out below, to the best of the knowledge of management of Calloway, no person who is a Trustee or executive officer of Calloway:

(a) is, as at the date of this annual information form, or has been, within 10 years before the date of this annual information form, a director, chief executive officer or chief financial officer of any company (including Calloway) that,

  (i) was subject to an order (as defined below) that was issued while that person was acting in the capacity as director, chief executive officer or chief financial officer; or

  (ii) was subject to an order that was issued after that person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) is, as at the date of this annual information form, or has been within 10 years before the date of this annual information form, a director or executive officer of any company (including Calloway) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within the 10 years before the date of this annual information form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

For the purposes of (a) above, "**order**" means:

(a) a cease trade order;

(b) an order similar to a cease trade order; or

(c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

Conflict of Interest Restrictions and Provisions

The Declaration of Trust contains "conflict of interest" provisions that serve to protect Unitholders without creating undue limitations on Calloway. Given that the Trustees are engaged in a wide range of real estate and other business activities, the Declaration of Trust contains provisions, similar to those contained in the *Canada Business Corporations Act*, that require each Trustee to disclose to Calloway any interest in a material contract or transaction or proposed material contract or transaction with Calloway (including a contract or transaction involving the making or disposition of any investment in real property or a joint venture arrangement) or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with Calloway. Such disclosure is required to be made at the first meeting at which a proposed contract or transaction is considered. In the event that a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the Trustees, a Trustee is required to disclose in writing to Calloway or request to have entered into the minutes of the meeting of the Trustees the nature and extent of his or her interest forthwith after the Trustee becomes aware of the contract or transaction or proposed contract or transaction. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to his or her remuneration as a Trustee, officer, employee or agent of Calloway or one for indemnity under the provisions of the Declaration of Trust or liability insurance.

Kevin Pshebniski has disclosed in writing that, as an officer of Hopewell Development Corporation, a Calgary based real estate developer with which Calloway has entered into a development agreement, he will be interested in any contract or transaction, or proposed contract or transaction, with that company and its affiliates. Mitchell Goldhar has disclosed in writing that, as a director, officer and significant shareholder of SmartCentres, he will be interested in any contract or transaction or proposed contract or transaction with SmartCentres and its affiliates and as a significant shareholder in Retrocom, he will be interested in any contract or transaction or proposed contract or transaction with Retrocom and its affiliates. Peter Forde has disclosed in writing that, as an officer of SmartCentres he will be interested in any contract or transaction or proposed contract or transaction, with SmartCentres and its affiliates.

OPERATION OF THE PROPERTY PORTFOLIO

Employees

As at December 31, 2011, Calloway had 106 full time regular employees and 0 part-time regular employees responsible for asset management, property management, new business which includes both acquisitions and developments and property and corporate accounting.

Leasing Function

The leasing function for the Property Portfolio is primarily provided by SmartCentres. Calloway and SmartCentres have developed a leasing strategy for each property reflecting the nature of the property, its position within the local marketplace, prevailing and forecast economic conditions and the state of the local real estate market and status of existing tenancies.

Property Management Function

In December 2006, Calloway internalized the majority of the property management function for the Property Portfolio which was previously provided primarily by SmartCentres. As at December 31, 2011, approximately 94% of the total leaseable area of Calloway's Property Portfolio was managed internally by Calloway while the remaining 6% was externally managed by third parties.

Environmental Policy

Calloway will endeavour to ensure that the Property Portfolio is managed in compliance with all applicable environmental laws and regulations and has adopted and implemented rules, standards and procedures to deal with all applicable environmental issues for each asset in the Property Portfolio. Calloway's operating policy requires it to obtain a Phase 1 environmental assessment conducted by an independent and experienced environmental consultant prior to acquiring a property.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Calloway has not been, nor is presently involved in, any legal proceedings or regulatory actions material to it and insofar as it is aware, no such proceedings or actions are contemplated.

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada at its principal offices in Toronto, Ontario and Calgary, Alberta is the transfer agent and registrar for the Units and the Debentures.

MATERIAL CONTRACTS

The following are the only material contracts, other than contracts entered into in the ordinary course of business, that are material to Calloway and that were entered into within the most recently completed financial year, or before the most recently completed financial year but that are still in effect:

(a) The Declaration of Trust, the particulars of which are set out under "Declaration of Trust and Description of Units".

(b) The trust indenture dated May 14, 2004, between Calloway as issuer and Computershare Trust Company of Canada as trustee, providing for the issuance of the various series of convertible debentures. See “Description of Other Securities”.

(c) The trust indenture dated September 22, 2005, between Calloway as issuer and Computershare Trust Company of Canada as trustee, providing for the issuance of the various series of unsecured debentures. See “Description of Other Securities”.

(d) The first supplemental trust indenture dated October 12, 2006, between Calloway as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the aforementioned trust indenture dated September 22, 2005, providing for the issuance of the Series B 5.37% Debentures. See “Description of Other Securities – Series B 5.37% Debentures”.

(e) The first supplemental trust indenture dated May 2, 2008, between Calloway as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the aforementioned trust indenture dated May 14, 2004, providing for the issuance of the 6.65% Convertible Debentures. See “Description of Other Securities – 6.65% Convertible Debentures”.

(f) The third supplemental trust indenture dated June 30, 2009, between Calloway as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the aforementioned trust indenture dated September 22, 2005, providing for the issuance of the Series D 7.95% Debentures. See “Description of Other Securities – Series D 7.95% Debentures”.

(g) The second supplemental trust indenture dated January 5, 2010, between Calloway as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the aforementioned trust indenture dated May 14, 2004, providing for the issuance of the 5.75% Convertible Debentures. See “Description of Other Securities – 5.75% Convertible Debentures”.

(h) The fourth supplemental trust indenture dated June 4, 2010, between Calloway as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the aforementioned trust indenture dated September 22, 2005, providing for the issuance of the Series E 5.10% Debentures. See “Description of Other Securities – Series E 5.10% Debentures”.

(i) The fifth supplemental trust indenture dated October 1, 2010, between Calloway as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the aforementioned trust indenture dated September 22, 2005, providing for the issuance of the Series F 5.00% Debentures. See “Description of Other Securities – Series F 5.00% Debentures”.

(j) The sixth supplemental trust indenture dated August 22, 2011, between Calloway as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the aforementioned trust indenture dated September 22, 2005, providing for the issuance of the Series G 4.70% Debentures. See “Description of Other Securities – Series G 4.70% Debentures”.

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP, Chartered Accountants, the auditors of Calloway, are named as having prepared or certified a statement, report or valuation described or included in a filing made by Calloway under National Instrument 51-102 during, or relating to, Calloway’s most recently completed financial year. PricewaterhouseCoopers LLP is independent of Calloway in accordance with the Rules of Professional Conduct as outlined by the Institute of Chartered Accountants of Ontario.

AUDIT COMMITTEE

Audit Committee Charter

A copy of the charter of the Audit Committee is attached as Schedule A to this annual information form.

Audit Committee Composition

The Audit Committee consists of Huw Thomas (chair), Jamie McVicar and Gillian Denham. Each member of the Audit Committee is independent and financially literate, as such terms are defined in National Instrument 52-110 – Audit Committees.

Relevant Education and Experience

For a description of the education and experience of each member of the audit committee that is relevant to the performance of his responsibilities as a member of the Audit Committee, see the biography of each member of the audit committee included in this annual information form under the heading "Management of Calloway - Trustees and Executive Officers of Calloway".

Pre-Approval Policies and Procedures

The Audit Committee must pre-approve all non-audit services to be provided to Calloway or its subsidiary entities by its external auditors or the external auditors of Calloway's subsidiary entities.

External Auditor Service Fees

The aggregate amounts paid or accrued by Calloway with respect to fees payable to PricewaterhouseCoopers LLP, the current external auditors for Calloway, for audit (including separate audits of subsidiary entities, financings and regulatory reporting requirements), audit-related, tax and other services in the fiscal years ended December 31, 2010 and 2011 were as follows:

	2010	2011
Audit fees (1)	$380,400	$402,000
Audit-related fees(2)	$290,123	$478,407
Tax fees(3)	$219,237	$175,446
All other fees(4)	$267,120	$135,881
TOTAL	$1,156,880	$1,191,734

Notes:

(1) "Audit fees" include the aggregate professional fees paid to the external auditors for the audit of the annual consolidated financial statements and other regulatory audits and filings.

(2) "Audit-related fees" include the aggregate fees paid to the external auditors for services related to the audit services, including namely review of quarterly financial statements and management's discussion and analysis thereon, audit of property common area costs, advise on audit committee charter, consultations regarding financial reporting and accounting standards and French translations.

(3) "Tax fees" include the aggregate fees paid to the external auditors for tax compliance, tax advice, tax planning and advisory services, including namely preparation of tax returns, deferred unit plan considerations and sales tax assistance.

(4) "All other fees" include the aggregate fees paid to the external auditors for all other services other than those presented in the categories of audit fees, audit-related fees and tax fees, including namely assistance with management information circulars and prospectuses, service related to underwriter's due diligence and assistance to legal counsel for applications for relief to securities commissions.

The Audit Committee of Calloway considered and agreed that the above fees are compatible with maintaining the independence of Calloway's auditors. Further, the Audit Committee determined that, in order to ensure the continued independence of the auditors, only limited non-audit related services will be provided to Calloway by Calloway's external auditors and in such case, only with the prior approval of the Audit Committee.

ADDITIONAL INFORMATION

Additional information relating to Calloway may be found on SEDAR at www.sedar.com.

Additional information, including trustees' and officers' remuneration and indebtedness, principal holders of Calloway's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in Calloway's Information Circular for its most recent meeting of Unitholders which involved the election of Trustees.

Additional financial information is provided in Calloway's consolidated financial statements and management discussion and analysis for its most recently completed financial year.

SCHEDULE A
CHARTER OF THE AUDIT COMMITTEE

I. The Board of Trustees' Mandate for the Audit Committee

1. The Board of Trustees (the "**Board**") bears responsibility for the stewardship of Calloway Real Estate Investment Trust (the "**Trust**"). To discharge that responsibility, the Board supervises the management of the business and affairs of the Trust. The Board's supervisory function involves Board oversight or monitoring of all significant aspects of the management of the Trust's business and affairs.

   Financial reporting and disclosure by the Trust constitutes a significant aspect of the management of the Trust's business and affairs.

   The objective of the Board's monitoring of the Trust's financial reporting and disclosure (the "**Financial Reporting Objective**") is to gain reasonable assurance of the following:

   (a) that the Trust complies with all applicable laws, regulations, rules, policies and other requirements of governments, regulatory agencies and stock exchanges relating to financial reporting and disclosure;

   (b) that the accounting principles, significant judgements and disclosures which underlie or are incorporated in the Trust's financial statements are the most appropriate in the prevailing circumstances;

   (c) that the Trust's quarterly and annual financial statements are accurate and present fairly the Trust's financial position and performance in accordance with generally accepted accounting principles; and

   (d) that appropriate information concerning the financial position and performance of the Trust is disseminated to the public in a timely manner.

   The Board is of the view that the Financial Reporting Objective cannot be reliably met unless the following activities (the "**Fundamental Activities**") are conducted effectively:

   (a) the Trust's accounting functions are performed in accordance with a system of internal financial controls designed to capture and record properly and accurately all of the Trust's financial transactions;

   (b) the Trust's internal financial controls are regularly assessed for effectiveness and efficiency;

   (c) the Trust's quarterly and annual financial statements are properly prepared by management;

   (d) the Trust's quarterly and annual financial statements are reported on by an external auditor appointed by the unitholders of the Trust; and

   (e) the financial components of the Trust's Disclosure Policy are complied with by management and the Board.

To assist the Board in its monitoring of the Trust's financial reporting and disclosure, the Board hereby acknowledges the existence of a committee of the Board known as the Audit Committee (the "Committee"), as established in the Declaration of Trust (the "Declaration"). The Committee shall develop for the Board's approval a Charter which, amongst other things, will describe the activities in which the Committee will engage to operationalize the powers delegated to it in the Declaration, for the purpose of gaining reasonable assurance that the Fundamental Activities are being conducted effectively and that the Financial Reporting Objective is being met.

2. **Composition of the Committee**

   (a) The Committee shall be appointed annually by the Board and consist of not less than three (3) members from among the Trustees of the Trust, each of whom shall be an independent trustee and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her objective judgement as a member of the Committee. Officers of the Trust including the Chairman of the Board, may not serve as members of the Audit Committee.

(b) The Board shall designate the Chairman of the Committee.

3. **Reliance on Experts**

In contributing to the Committee's discharging of its duties under this mandate, each member of the Committee shall be entitled to rely in good faith upon:

(a) financial statements of the Trust represented to him or her, by an officer of the Trust or in a written report of the external auditors, to present fairly the financial position of the Trust in accordance with Canadian generally accepted accounting principles ("**GAAP**"); and

(b) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

4. **Authority of the Committee**

The Committee shall have the authority:

(a) to institute investigations of improprieties, or suspected improprieties, within the scope of its responsibilities,

(b) to inspect any and all books and records of the Trust and affiliated entities,

(c) to discuss with Trust personnel, any affected party and the external auditors, such accounts, records and other matters as any member of the Committee considers necessary and appropriate,

(d) to engage independent counsel and other advisors as it determines necessary to carry out its duties, and

(e) to access Trust resources including administrative support to assist in carrying out its duties.

5. **Limitations on Committee's Duties**

In contributing to the Committee's discharging of its duties under this mandate, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this mandate is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject. The essence of the Committee's duties is monitoring and reviewing to gain reasonable assurance (but not to ensure) that the Fundamental Activities are being conducted effectively and that the Financial Reporting Objective is being met and to enable the Committee to report thereon to the Board.

II. Audit Committee Charter

The Audit Committee's Charter outlines how the Committee will satisfy the requirements set forth by the Board in its mandate. This Charter comprises:

- Operating Principles;
- Operating Procedures; and
- Specific Responsibilities and Duties.

A. Operating Principles

The Committee shall fulfill its responsibilities within the context of the following principles:

6. **Values**

The Committee expects the management of the Trust to operate in compliance with the Trust's Code of Business Conduct and Ethics and other policies; with laws and regulations governing the Trust; and to maintain strong financial reporting and control processes.

7. **Communications**

The Chairman (and others on the Committee) expects to have direct, open and frank communications throughout the year with management, other Committee Chairmen, the external auditors and other key Committee advisors as applicable.

8. **Financial Literacy**

All Audit Committee Members should be sufficiently versed in financial matters to understand the Trust's accounting practices and policies and the major judgements involved in preparing the financial statements.

9. **Annual Audit Committee Work Plan**

The Committee, in consultation with management and the external auditors, shall develop an annual Audit Committee Work Plan responsive to the Committee's responsibilities as set out in this Charter. In addition, the Committee, in consultation with management and the external auditors, shall develop and participate in a process for review of important financial topics that have the potential to impact the Trust's financial disclosure.

10. **Meeting Agendas**

Committee meeting agendas shall be the responsibility of the Chairman of the Committee in consultation with Committee members, senior management and the external auditors.

11. **Committee Expectations and Information Needs**

The Committee shall communicate its expectations to management and the external auditors with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management and the external auditors at least two days in advance of meeting dates.

12. **External Resources**

To assist the Committee in discharging its responsibilities, the Committee may, in addition to the external auditors, at the expense of the Trust, retain one or more persons having special expertise.

13. **In Camera Meetings**

At a minimum of once per year, the members of the Committee shall meet in private session with the external auditors; with management; and with the Committee members only.

14. **Reporting to the Board**

The Committee, through its Chairman, shall report after each Committee meeting to the Board at the Board's next regular meeting.

15. **Committee Self Assessment**

The Committee shall annually review, discuss and assess its own performance. In addition, the Committee shall periodically review its role and responsibilities.

16. **The External Auditors**

The Committee expects that, in discharging their responsibilities to the unitholders, the external auditors shall be accountable to the Board through the Audit Committee. The external auditors shall report all material issues or potentially material issues to the Committee.

B. Operating Procedures

1. The Committee shall meet at least four times annually, or more frequently as circumstances dictate. Meeting shall be held at the call of the Chairman, upon the request of any member of the Committee or at the request of the external auditors.
2. A quorum shall be a majority of the members. However, it shall be the practice of the Audit Committee to require review, and if necessary, approval of certain important matters by all members of the Audit Committee.
3. Unless the Committee otherwise specifies, the Secretary or Assistant Secretary of the Trust shall act as Secretary of all meetings of the Committee.
4. In the absence of the Chairman of the Committee, the members shall appoint an acting Chairman.
5. Questions arising at any meeting of the Committee shall be decided by a majority of the votes cast. In the case of an equality of votes, the Chairman of the meeting shall not have a second or casting vote in addition to his original vote, if any.
6. Any member may participate in a meeting of the Committee by means of a conference telephone or other communication equipment by means of which all persons participating in the meeting can hear each other and a member so participating shall be considered to be present in person at that meeting.
7. A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and to each director of the Trust in a timely fashion.
8. A written resolution of the Committee, signed by all of the members of the Committee, is valid as if it had been passed at a meeting of the Committee.

C. Specific Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Financial Reporting

1. review the Trust's annual and quarterly financial statements with management and the external auditors to gain reasonable assurance that the statements are accurate, complete, represent fairly the Trust's financial position and performance and are in accordance with GAAP and report thereon to the Board before such financial statements are approved by the Board;
2. review with management and the external auditors the financial statements of the Trust's significant subsidiaries;
3. receive from the external auditors reports on their review of the annual and quarterly financial statements;
4. receive from management a copy of the representation letter provided to the external auditors and receive from management any additional representations required by the Committee;
5. review and, if appropriate, recommend approval to the Board of news releases and reports to unitholders issued by the Trust with respect to the Trust's annual and quarterly financial statements;
6. be satisfied that adequate procedures are in place for the review of the Trust's public disclosure of financial information extracted or derived from the Trust's financial statements and must periodically assess the adequacy of those procedures;
7. review and if appropriate, recommend approval to the Board of prospectuses, business acquisition reports, material change disclosures of a financial nature, management discussion and analysis, annual information forms and similar disclosure documents to be issued by the Trust;

8. review any correspondence that the Trust may receive from securities regulators or government agencies relating to financial reporting matters;
9. review the financial statement certification process;

Accounting Policies

1. review with management and the external auditors the appropriateness of the Trust's accounting policies, disclosures, key estimates and judgements, including changes or variations thereto;
2. obtain reasonable assurance that they are in compliance with GAAP; and report thereon to the Board;
3. review with management and the external auditors the degree of conservatism of the Trust's underlying accounting policies and key estimates and judgements;

Risk and Uncertainty

1. acknowledging that it is the responsibility of the Board, in consultation with management, to identify the principal business risks facing the Trust, determine the Trust's tolerance for risk and approve risk management policies, the Committee shall focus on financial risk and gain reasonable assurance that financial risk is being effectively managed or controlled by:
   (a) reviewing with management the Trust's tolerance for financial risks;
   (b) reviewing with management its assessment of the significant financial risks facing the Trust;
   (c) reviewing with management the Trust's policies and any proposed changes thereto for managing those significant financial risks;
   (d) reviewing with management its plans, processes and programs to manage and control such risks;
2. ascertain that policies and procedures are in place to minimize environmental, occupational health and safety and other risks to asset value and mitigate damage to or deterioration of asset value and review such policies and procedures periodically;
3. review policies and compliance therewith that require significant actual or potential liabilities, contingent or otherwise, to be reported to the Board in a timely fashion;
4. review interest rate risk mitigation strategies, including the use of derivative financial instruments;
5. review the adequacy of insurance coverages maintained by the Trust;
6. review regularly with management, the external auditors and the Trust's legal counsel, any legal claim or other contingency, including tax assessments, that could have a material effect upon the financial position or operating results of the Trust and the manner in which these matters have been disclosed in the financial statements;

Financial Controls and Control Deviations

1. review with management and in consultation with the external auditors the appropriateness and effectiveness of the Trust's internal controls, policies and business practices which impact the financial integrity of the Trust, including those relating to accounting, information systems, financial reporting, management reporting, insurance and risk management;
2. review the plans of the external auditors in regards to the evaluation and testing of internal financial controls;
3. receive regular reports from management, the external auditors and its legal department on all significant deviations or indications/detection of fraud and the corrective activity undertaken in respect thereto;
4. periodically review with management the need for an internal audit function;

Compliance with Laws and Regulations

1. review regular reports from management and others (e.g. external auditors) with respect to the Trust's compliance with laws and regulations having a material impact on the financial statements including:

    (a) tax and financial reporting laws and regulations

    (b) legal withholding requirements

    (c) environmental protection laws and regulations

    (d) other laws and regulations which expose directors to liability;

2. review the status of the Trust's tax returns and those of its subsidiaries;

Relationship with External Auditors

1. recommend to the Board the nomination of the external auditors or the discharge of the external auditor when circumstances are warranted;

2. approve the remuneration and the terms of engagement of the external auditors as set forth in the Engagement Letter;

3. when there is to be a change of external auditors, review all issues and provide documentation related to the change, as specified by the relevant securities commissions in Canada and the planned steps for an orderly transition period;

4. review the performance of the external auditors annually or more frequently as required;

5. receive annually from the external auditors an acknowledgement in writing that the unitholders, as represented by the Board and the Committee, are their primary client;

6. pre-approve all non-audit services to be provided to the Trust or its subsidiary entities by its external auditors or the external auditors of the Trust's subsidiary entities. The Audit Committee may satisfy the pre-approval requirement if:

    (a) the aggregate amount of all the non-audit services that were not pre-approved constitutes no more than five per cent of the total amount of revenues paid by the Trust to its external auditors during the fiscal year in which the services are provided;

    (b) the services were not recognized by the Trust at the time of the engagement to be non-audit services; and

    (c) the services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee;

7. receive a report annually from the external auditors with respect to their independence, such report to include a disclosure of all engagements (and fees related thereto) for non-audit services provided to the Trust;

8. review with the external auditors the scope of the audit, the areas of special emphasis to be addressed in the audit and the materiality levels which the external auditors propose to employ;

9. meet at a minimum of once per year with the external auditors in the absence of management to determine, inter alia, that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditors or the reporting of their findings to the Committee and that there was no disagreement with management on a significant accounting issue;

10. establish effective communication processes with management and the Trust's external auditors to assist the Committee to monitor objectively the quality and effectiveness of the relationship among the external auditors, management and the Committee;

Other Responsibilities

1. periodically review the form, content and level of detail of financial reports to the Board;
2. approve annually the reasonableness of the expenses of the Chairman of the Board and the Chief Executive Officer;
3. after consultation with the Chief Financial Officer and the external auditors, gain reasonable assurance, at least annually, of the quality and sufficiency of the Trust's accounting and financial personnel and other resources;
4. review in advance the appointment of the Trust's senior financial executives;
5. establish procedures for the receipt, retention and treatment of complaints and concerns of employees, unitholders and members of the public received by the Trust regarding accounting, internal accounting controls, or auditing matters;
6. investigate any matters that, in the Committee's discretion, fall within the Committee's duties;
7. review reports from the external auditors, and/or other Committee Chairmen on their review of compliance with the Trust's Code of Business Conduct and Ethics;
8. review and approve the Trust's hiring policies regarding partners, employees and former partners and employees of the present or former external auditor of the Trust;
9. enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters, which are directed to the Committee;
10. review any significant transactions outside of the Trust's ordinary course of business;
11. perform such other functions as may from time to time be assigned to the Committee by the Board;

Accountability

1. review and update this Charter on a regular basis for approval by the Board; and
2. review the description of the Committee's activities as set forth in the Declaration of Trust.