

This prospectus supplement together with the short form base shelf prospectus to which it relates dated November 29, 2013, as amended or supplemented, and each document deemed to be incorporated by reference in this prospectus supplement and in the short form base shelf prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended, (“U.S. Securities Act”) or any state securities laws and, except pursuant to transactions that are exempt from the registration requirements of such laws, may not be offered, sold, reoffered, resold or delivered, directly or indirectly, in the United States. This prospectus supplement, together with the short form base shelf prospectus to which it relates, does not constitute an offer to sell or solicitation of an offer to buy any of the securities offered hereby within the United States. See “Plan of Distribution”.

Information has been incorporated by reference in this prospectus supplement, and in the short form base shelf prospectus to which it relates, from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein and therein by reference may be obtained on request without charge from the Chief Financial Officer of Calloway Real Estate Investment Trust at Suite 200, 700 Applewood Crescent, Vaughan, Ontario L4K 5X3 (Telephone (905) 326-6400 Extension 7865), and are also available electronically at www.sedar.com. See “Documents Incorporated By Reference”.

PROSPECTUS SUPPLEMENT
To a Short Form Base Shelf Prospectus Dated November 29, 2013

New Issue

April 20, 2015



\$200,039,000
6,970,000 Subscription Receipts each representing the right to receive one Unit

This prospectus supplement qualifies the distribution of 6,970,000 subscription receipts (the “**Subscription Receipts**”) of Calloway Real Estate Investment Trust (“**Calloway**”) at a price of \$28.70 per Subscription Receipt (the “**Offering**”). Each Subscription Receipt will entitle the holder thereof to receive one trust unit of Calloway (a “**Unit**”) upon completion of the Acquisition (as defined herein) by Calloway without payment of any additional consideration or any further action on the part of the holder.

The proceeds from the sale of the Subscription Receipts, net of half of the fee payable to the Underwriters (as defined herein) (together with Earned Interest (as defined herein), the “**Escrowed Funds**”), will be delivered to and held by Computershare Trust Company of Canada, as subscription receipt agent (the “**Subscription Receipt Agent**”), and upon receipt of a direction from Calloway invested in short-term obligations of, or guaranteed by, the Government of Canada (and other approved investments) pending the earlier of the completion of the Acquisition (excluding the purchase of two retail development properties) and the occurrence of a Termination Event (as defined herein). Upon the completion of the Acquisition (excluding the purchase of two retail development properties) and satisfaction of the other conditions to the exchange of the Subscription Receipts: (a) one Unit will be automatically issued in exchange for each Subscription Receipt, without payment of additional consideration or any further action on the part of the holder; (b) the Subscription Receipt Adjustment Payment (as defined herein), if any, less applicable withholding taxes, if any, will become payable in respect of each Subscription Receipt; and (c) the Escrowed Funds (less the remaining half of the Underwriters’ fee payable) will be released to Calloway which will then be utilized to pay a portion of the purchase price of the Acquisition and Calloway’s expenses of the Acquisition.

If (a) the completion of the Acquisition (excluding the purchase of two retail development properties) does not occur on or before 5:00 p.m. (Toronto time) on July 31, 2015, (b) Calloway delivers to the Underwriters and the Subscription Receipt Agent a notice, executed by Calloway, declaring that one or more of the Transaction Agreements (as defined herein but excluding the agreements relating to two retail development properties) have been terminated or that Calloway will not be proceeding with the Acquisition, or (c) Calloway formally announces to the public by way of a press release that it does not intend to proceed with the Acquisition (each, a “**Termination Event**”), each Subscription Receipt will entitle the holder

thereof to receive an amount equal to the aggregate of (i) \$28.70 (the “**Subscription Price**”), (ii) his or her *pro rata* share of the interest or other income actually earned on the investment of the Escrowed Funds from, and including, the closing of the Offering to, but excluding, the Termination Event (the “**Earned Interest**”), and (iii) his or her *pro rata* share of the interest that would have otherwise been earned on the Basic Underwriters’ Fee (as defined herein) paid to the Underwriters as if such Basic Underwriters’ Fee had been held in escrow as part of the Escrowed Funds and not paid to the Underwriters (the “**Deemed Interest**”). In the event that the gross proceeds of the Offering are required to be remitted to purchasers of the Subscription Receipts, Calloway has agreed to pay an amount equal to half of the Underwriters’ fees payable with respect to the Offering plus the Deemed Interest such that all of the gross proceeds of the Offering would be refunded to purchasers of the Subscription Receipts. Notwithstanding the foregoing, a Termination Event shall not include the failure to close the sale of one or more Acquisition Properties (as defined herein) (other than two retail development properties) or the termination of one or more Transaction Agreements relating to the Acquisition Properties (other than two retail development properties), in each case, where the aggregate purchase price is \$60,000,000 or less as set out on the Execution Date in the Transaction Agreements related to the Acquisition Properties. See “Description of the Subscription Receipts”.

The outstanding Units of Calloway are listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol CWT.UN. On April 16, 2015, the date the Offering was announced, the closing price of the Units on the TSX was \$29.16 per Unit. The TSX has conditionally approved the listing of the Subscription Receipts and the Units issuable in exchange for the Subscription Receipts. Listing is subject to Calloway fulfilling all of the requirements of the TSX on or before July 17, 2015. **There is currently no market through which the Subscription Receipts may be sold and purchasers may not be able to resell Subscription Receipts purchased hereunder. This may affect the pricing of the Subscription Receipts in the secondary market, the transparency and availability of trading prices, the liquidity of the Subscription Receipts and the extent of issuer regulation. See “Risk Factors”.**

Price: \$28.70 per Subscription Receipt

	Price to the Public ⁽¹⁾	Underwriters’ Fee ^{(2) (3)}	Net Proceeds to Calloway ⁽⁴⁾
Per Subscription Receipt.....	\$28.70	\$1.15	\$27.55
Total ⁽⁵⁾	\$200,039,000	\$8,001,560	\$192,037,440

- (1) The Subscription Price was determined by negotiations between Calloway and the Underwriters with reference to the market price of the Units and other applicable factors.
- (2) The Underwriters’ fee is payable as to 50% upon closing of the Offering and 50% upon completion of the Acquisition. If the Acquisition is not completed, the Underwriters’ fee will be reduced to the amount payable upon closing of the Offering.
- (3) The “Underwriters’ Fee” and “Net Proceeds to Calloway” per Subscription Receipt represent 4.0% and 96.0%, respectively, of the “Price to the Public”.
- (4) Before deducting the expenses of the Offering estimated to be approximately \$600,000 (excluding interest, if any, on the Escrowed Funds and transaction costs associated with the Acquisition).
- (5) Calloway has granted the Underwriters an option (the “**Over-Allotment Option**”), exercisable in whole or in part and at any time up to the earlier of (a) the 30th day following the date of the closing of the Offering and (b) the occurrence of a Termination Event, to purchase from Calloway up to 1,045,500 additional Subscription Receipts on the same terms and conditions set forth above solely to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in whole or in part following the completion of the Acquisition, an equal number of Units will be issued in lieu of Subscription Receipts. If the Underwriters exercise the Over-Allotment Option in full, the total “Price to the Public” will be \$230,044,850, the total “Underwriters’ Fee” will be \$9,201,794 and the total “Net Proceeds to Calloway” will be \$220,843,056 (before expenses of the Offering). This prospectus supplement also qualifies the granting of the Over-Allotment Option and the distribution of Subscription Receipts that may be offered in relation to the Over-Allotment Option as well as Units issuable in lieu of Subscription Receipts if the Over-Allotment Option is exercised in whole or in part following the completion of the Acquisition. A purchaser who acquires Subscription Receipts (or Units in lieu thereof) forming part of the Underwriters’ over-allocation position acquires such Subscription Receipts (or Units in lieu thereof) under this prospectus supplement, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “Plan of Distribution”.

<u>Underwriters’ Position</u>	<u>Maximum Size</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	Up to 1,045,500 additional Subscription Receipts	Not later than the earlier of (i) 30 days from and including the closing of the Offering and (ii) the occurrence of a Termination Event	\$28.70 per Subscription Receipt

On April 16, 2015, Calloway entered into a series of property purchase and lease agreements to acquire interests in a portfolio of 24 real estate properties from Penguin Properties Inc., SmartCentres Realty Inc. and various joint venture partners for an aggregate purchase price of approximately \$1.1 billion, subject to adjustments. Calloway also entered into a platform purchase agreement with SmartCentres Management Inc. to acquire substantially all of the assets of its open format retail and mixed use development and leasing management platform for approximately \$55.1 million, subject to adjustments. Calloway intends to use the net proceeds of the Offering (including the net proceeds, if any, of the Over-Allotment Option) to pay for a portion of the purchase price of the Acquisition and related expenditures. See “The Acquisition” and “Use of Proceeds”.

A return on your investment in Units you receive on the exchange of Subscription Receipts is not comparable to the return on an investment in a fixed-income security. The recovery of your initial investment is at risk, and the anticipated return on your investment is based on many performance assumptions. Although Calloway intends to make distributions of available cash to investors, these cash distributions may be reduced or suspended. The actual amount distributed will depend on numerous factors as described in Calloway’s continuous disclosure documents filed on www.sedar.com. In addition, the market value of the Units may decline if Calloway is unable to meet its cash distribution targets in the future, and that decline may be significant.

There are certain risks inherent in an investment in Calloway and in the activities of Calloway. Prospective investors should carefully consider these risk factors before purchasing Subscription Receipts. See “Risk Factors”.

The after-tax return from an investment in Units to investors subject to Canadian federal income tax will depend, in part, on the composition for Canadian income tax purposes of distributions paid by Calloway on its Units, which may be fully or partially taxable or tax-deferred. That composition may change over time, thus affecting investors’ after-tax returns. The adjusted cost base of any Units held by a unitholder will be reduced by the non-taxable portion of distributions made to the unitholder other than the portion thereof attributable to the non-taxable portion of any capital gains realized by Calloway. Prospective purchasers of Subscription Receipts should consult their own tax advisors with respect to the Canadian income tax considerations in their circumstances. See “Certain Canadian Federal Income Tax Considerations”.

Under an underwriting agreement (the “**Underwriting Agreement**”) dated April 20, 2015 between CIBC World Markets Inc. (“**CIBC**”), BMO Nesbitt Burns Inc., TD Securities Inc., RBC Dominion Securities Inc., Scotia Capital Inc., Desjardins Securities Inc., National Bank Financial Inc., Canaccord Genuity Corp., Raymond James Ltd. and GMP Securities L.P. (the “**Underwriters**”) and Calloway, Calloway has agreed to sell, and the Underwriters have severally agreed to purchase, subject to compliance with all necessary legal requirements and to the terms and conditions contained in the Underwriting Agreement, the Subscription Receipts. After the Underwriters have made reasonable efforts to sell all the Subscription Receipts at the Subscription Price, the Underwriters may offer the Subscription Receipts at a lower price than stated above. Any such reduction will not affect the proceeds received by Calloway. See “**Plan of Distribution**”.

Calloway may be considered to be a “connected issuer” of each of CIBC, BMO Nesbitt Burns Inc., TD Securities Inc., RBC Dominion Securities Inc., Scotia Capital Inc., Desjardins Securities Inc. and National Bank Financial Inc. under applicable Canadian securities legislation. Each of CIBC, BMO Nesbitt Burns Inc., TD Securities Inc., RBC Dominion Securities Inc., Scotia Capital Inc., Desjardins Securities Inc. and National Bank Financial Inc. is a subsidiary of a financial institution which is among Calloway’s principal lenders. In addition, CIBC was retained by the special committee of independent trustees of Calloway for the provision of financial advice, including a fairness opinion, in connection with the Acquisition. See “Relationship Between Calloway and the Underwriters”.

The Underwriters, as principals, conditionally offer the Subscription Receipts, subject to prior sale, if, as and when issued by Calloway and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters on behalf of Calloway by Osler, Hoskin & Harcourt LLP and on behalf of the Underwriters by McCarthy Tétrault LLP.

Calloway has been advised by the Underwriters that, in connection with the Offering and subject to applicable laws, the Underwriters may effect transactions intended to stabilize or maintain the market price of the Subscription Receipts at levels other than those that otherwise might prevail on the open market in accordance with market stabilization rules. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

Subscriptions for the Subscription Receipts will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. The Subscription Receipts will be represented in the form of one or more Subscription Receipt certificates registered in the name of CDS Clearing and Depository Services Inc. (“CDS”) or its nominee and held by, or on behalf of, CDS, as depository of the Subscription Receipt certificates. It is expected that the closing of the Offering will take place on April 27, 2015 or on such other date as Calloway and the Underwriters may agree but, in any event, not later than May 25, 2015.

Calloway is not a trust company and is not registered under applicable legislation governing trust companies as it does not carry on or intend to carry on the business of a trust company. Neither the Subscription Receipts nor the Units are “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that statute or any other legislation.

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MEANING OF CERTAIN REFERENCES

Certain capitalized terms used in this prospectus supplement but not otherwise defined herein have the meanings set forth in the Glossary. References to "\$" are to Canadian currency.

DOCUMENTS INCORPORATED BY REFERENCE

This prospectus supplement is deemed to be incorporated by reference into the accompanying short form base shelf prospectus of Calloway dated November 29, 2013 (the "**Short Form Prospectus**") as of the date hereof solely for the purpose of offering the Subscription Receipts.

Information has been incorporated by reference in this prospectus supplement and the Short Form Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Calloway Real Estate Investment Trust at Suite 200, 700 Applewood Crescent, Vaughan, Ontario L4K 5X3 (Telephone (905) 326-6400 Extension 7865) and are also available electronically at www.sedar.com.

In addition, the following documents, which have been filed by Calloway with the securities commission or similar regulatory authority in each of the provinces of Canada, are specifically incorporated by reference into this prospectus supplement:

- (a) the annual information form of Calloway dated February 11, 2015;
- (b) the audited annual consolidated financial statements of Calloway for the years ended December 31, 2014 and 2013, together with the notes thereto and the auditor's report thereon;
- (c) management's discussion and analysis of the financial condition and results of operations of Calloway for the year ended December 31, 2014;
- (d) the management information circular of Calloway dated March 31, 2014 issued in connection with the meeting of unitholders of Calloway held on May 8, 2014;

- (e) material change report dated February 12, 2015 with respect to the redemption of the 5.37% Debentures;
- (f) the Term Sheet; and
- (g) the Investor Presentation.

All annual information forms, material change reports (excluding confidential material change reports), business acquisition reports, unaudited interim financial statements, audited annual financial statements including the auditor's report thereon, management's discussion and analysis of financial condition and results of operation and information circulars which are filed by Calloway with a securities commission or similar regulatory authority in any of the provinces of Canada after the date of this prospectus supplement and prior to the termination of the Offering under this prospectus supplement shall be deemed to be incorporated by reference into this prospectus supplement. Additionally, any template version of marketing materials for the Offering filed by Calloway with a securities commission or similar regulatory authority in any of the provinces of Canada after the date of this prospectus supplement and prior to the termination of the Offering shall be deemed to be incorporated by reference into this prospectus supplement.

Any statement contained in the Short Form Prospectus, in this prospectus supplement or in a document incorporated or deemed to be incorporated by reference herein or in the Short Form Prospectus for the purposes of the Offering will be deemed to be modified or superseded, for purposes of this prospectus supplement, to the extent that a statement contained herein or in the Short Form Prospectus or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein or in the Short Form Prospectus modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or included any other information set out in the document that it modifies or supersedes. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

MARKETING MATERIALS

The Marketing Materials are not part of this prospectus supplement or the Short Form Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this prospectus supplement or any amendment. See "Documents Incorporated by Reference".

FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus supplement, in the Short Form Prospectus and in the documents incorporated by reference herein and in the Short Form Prospectus are "forward-looking statements" that reflect management's expectations regarding Calloway's future growth, results of operations, performance and business prospects and opportunities and other future events. More specifically, certain statements contained in this prospectus supplement in the sections "Recent Developments", "The Acquisition", "Consolidated Capitalization", "Use of Proceeds" and "Risk Factors" including statements regarding Calloway's expectations in respect of closing the Acquisition and of meeting the REIT Exception (as defined herein) and not being subject to the SIFT Rules (as defined herein) are forward-looking statements. All statements other than statements of historical fact contained in this prospectus supplement, in the Short Form Prospectus and in the documents incorporated by reference herein and in the Short Form Prospectus are forward-looking statements including, without limitation, statements that contain words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may" and similar expressions, and statements regarding the timing and amount of distributions and the future financial position, business strategy, proposed acquisitions, plans and objectives of Calloway or its subsidiaries. These forward-looking statements are presented for the purpose of assisting Calloway's investors and financial analysts in understanding Calloway's operating environment, and may not be appropriate for other purposes. Such forward-looking statements contained directly in this prospectus supplement reflect management's current beliefs and are based on information currently available to management.

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 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, reliance on key personnel, and tax related matters. These risks and others are more fully discussed under the “Risk Factors” section of this prospectus supplement and the “Risk Factors” section of the Short Form Prospectus, which also refers to the risks described in Calloway’s most recent annual information form, which document has been incorporated by reference herein and in the Short Form Prospectus. Although the forward-looking statements contained in this prospectus supplement, in the Short Form Prospectus and in the documents incorporated by reference herein and therein are based upon what management believed to be reasonable assumptions at the time such statements were made, Calloway cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained in this prospectus supplement, in the Short Form Prospectus and in the documents incorporated by reference herein and therein are expressly qualified in their entirety by this cautionary statement and by the cautionary statements contained in the Short Form Prospectus and in the documents incorporation by reference herein and therein. The forward-looking statements contained in this prospectus supplement are made as at the date of this prospectus supplement, the forward-looking statements contained in the Short Form Prospectus are made as at the date of the Short Form Prospectus and the forward-looking statements contained in the documents incorporated by reference herein or in the Short Form Prospectus are made as of the date of such documents, and Calloway assumes no obligation to update or revise such forward-looking statements to reflect new events or circumstances except as otherwise required by applicable securities legislation.

RECENT DEVELOPMENTS

On March 9, 2015, Calloway redeemed all of its outstanding 5.37% Debentures in the aggregate principal amount of \$150 million at a redemption price of \$1,072.07 per \$1,000 of 5.37% Debentures plus accrued and unpaid interest of \$21.77 per \$1,000 of 5.37% Debentures up to but excluding the redemption date. The aggregate redemption price for the 5.37% Debentures was approximately \$164.1 million.

On March 28, 2015, Best Buy announced that it expected to close a total of 66 Future Shops stores of which eight were identified as being within a Calloway shopping centre. Calloway has commenced negotiations with tenants for three of these spaces and Best Buy has confirmed to Calloway that Future Shop will honour all rental payments for the full term of all leases for the stores that are being closed. The five stores that are closing represent 0.4% of Calloway’s rent and gross leaseable area and the lease expiries are spread over the next five years.

On April 16, 2015, Calloway announced the Acquisition and the entering into of the Transaction Agreements. See “The Acquisition”.

THE ACQUISITION

Overview

On the Execution Date, (i) Calloway and LP IV entered into the PPI Property Purchase Agreement and the Aurora North Property Purchase Agreement with PPI, SCMI and certain other SmartCentres Vendors, as applicable, whereby LP IV has agreed to acquire the PPI Properties and the property subject to the Aurora North Property Purchase Agreement for aggregate consideration of approximately \$183.3 million, subject to adjustment as contemplated by the PPI Property Purchase Agreement and the Aurora North Property Purchase Agreement, as applicable; (ii) Calloway and LP III entered into the WMJV Property Purchase Agreement with SCRI, WCRI and SCMI and the Post-Closing Purchase Agreements whereby LP III has agreed to acquire the WMJV Properties held by a joint venture between WCRI and SCRI for aggregate consideration of approximately \$673.5 million, subject to adjustment as contemplated by the WMJV Property Purchase Agreement and the Post-Closing Purchase Agreements; and (iii) Calloway and certain subsidiary limited partnerships of Calloway entered into the Other JV Property Agreements with the Other JV Owners whereby such partnerships have agreed to acquire or lease the applicable interests in the Other JV Properties for aggregate consideration of approximately \$246.3 million, subject to adjustment as contemplated by the Other JV Property Agreements (collectively, the “**Property Acquisition**”).

In addition, on the Execution Date, Calloway and certain subsidiary limited partnerships of Calloway entered into the Platform Purchase Agreement with SCMI whereby such partnerships have agreed to acquire the Platform Subject Assets for consideration of approximately \$55.1 million, subject to adjustments, as contemplated by the Platform Purchase Agreement (the “**Platform Acquisition**”).

The aggregate purchase price of approximately \$1.16 billion will be satisfied by the assumption of existing mortgage debt on the Acquisition Properties, the issuance of 5.5 million Class B Units for an aggregate \$158.3 million (subject to a potential election by certain Property Vendors to change the number of Class B Units and/or Class C Units as discussed below), accompanying Special Voting Units and the balance in cash (including cash from the net proceeds from the sale of the Subscription Receipts, with the balance from cash on hand or by drawing upon existing credit facilities), in each case as more particularly set-out below. Subject to receipt of Unitholder and regulatory approval and other customary closing conditions, it is anticipated that the closing of the Acquisition (excluding the purchase of the two retail development properties) will occur in late May 2015 but in any event on or before July 31, 2015 (the “**Acquisition Closing**”).

The Property Acquisition

The following is a summary of the Property Agreements. The PPI Property Purchase Agreement and the WMJV Property Purchase Agreement have been filed with the Canadian securities regulatory authorities at www.sedar.com and the following summaries are subject to, and qualified in their entirety by reference to, the terms of such agreements.

Pursuant to the PPI Property Purchase Agreement and the Aurora North Property Purchase Agreement, Calloway and LP IV have agreed to acquire the PPI Properties and the property subject to the Aurora North Property Purchase Agreement for aggregate consideration of approximately \$183.3 million, subject to adjustment, as contemplated by the PPI Property Purchase Agreement and the Aurora North Property Purchase Agreement, as applicable.

Under the PPI Property Purchase Agreement and the Aurora North Property Purchase Agreement, the purchase price payable will be satisfied on the Acquisition Closing as follows, subject to customary adjustments and a potential election by the applicable SmartCentres Vendors to change the number of Class B Units and/or Class C Units issued to it as described below:

- (a) \$77.0 million through the issuance to PPI and the applicable SmartCentres Vendors, or as they may direct in writing, of:
 - (i) 2,681,982 Class B Units that are exchangeable on a one-for-one basis for Units;
 - (ii) Special Voting Units in a number equal to the aggregate number of Class B Units issued on Acquisition Closing with a nominal value; and
 - (iii) 480,000 Class C Units with a nominal value;
- (b) through the assumption by LP IV of existing indebtedness and accrued interest thereon outstanding under the encumbrances currently registered against certain of the PPI Properties and the applicable SmartCentres Vendors’ 50% interest on the property subject to the Aurora North Property Purchase Agreement as of the date of Acquisition Closing; and
- (c) by payment of the balance of the purchase price in cash by wire transfer to PPI and the applicable SmartCentres Vendors, or as they may direct in writing, estimated to be \$12.6 million.

Pursuant to the WMJV Property Purchase Agreement, LP III has agreed to acquire the WMJV Properties (excluding the two retail development properties) for consideration to SCRI of approximately \$262.4 million (the “**SCRI Purchase Price**”) and for consideration to WCRI of approximately \$393.6 million (the “**WCRI Purchase Price**”), subject to normal adjustments, in each case, as contemplated by the WMJV Property Purchase Agreement.

Under the WMJV Property Purchase Agreement, the SCRI Purchase Price will be satisfied on Acquisition Closing as follows, subject to customary adjustments and a potential election by SCRI to change the number of Class B Units and/or Class C Units issued to it as described below:

- (a) \$44.3 million through the issuance to SCRI, or as SCRI may direct in writing, of:
 - (i) 1,545,122 Class B Units that are exchangeable on a one-for-one basis for Units; and
 - (ii) Special Voting Units in a number equal to the aggregate number of Class B Units issued on Acquisition Closing to SCRI with a nominal value;
- (b) through the assumption by LP III of existing indebtedness and accrued interest thereon outstanding under 40% of the financing in connection with, and currently secured by, the WMJV Properties as of the date of Acquisition Closing; and
- (c) by payment of the balance of the SCRI Property Purchase Price in cash by wire transfer to SCRI, or as SCRI may direct in writing estimated to be \$45.6 million.

Under the WMJV Property Purchase Agreement, the WCRI Purchase Price will be satisfied on Acquisition Closing as follows, subject to customary adjustments:

- (a) through the assumption by LP III of existing indebtedness and accrued interest thereon outstanding under 60% of the financing in connection with, and currently secured by, the WMJV Properties as of the date of Acquisition Closing; and
- (b) by payment of the balance of the WCRI Purchase Price in cash by wire transfer to WCRI, or as WCRI may direct in writing, estimated to be \$134.9 million.

Pursuant to the Other JV Property Agreements, the New LPs and LP I have agreed to acquire or lease, as applicable, the Other JV Properties (or in one case, to acquire interests in a partnership that owns an Other JV Property) for aggregate consideration to PPI and certain other SmartCentres Vendors of approximately \$146.6 million and for aggregate consideration to the Third Party Owners of approximately \$99.7 million (the “**Other JV Consideration**”), subject to adjustment, in each case, as contemplated by the Other JV Property Agreements.

Under the Other JV Property Agreements, the Other JV Consideration will be satisfied on Acquisition Closing as follows, subject to customary adjustments:

- (a) through the assumption by the relevant subsidiary limited partnership of Calloway of existing indebtedness and accrued interest thereon outstanding under the mortgage financing in connection with each of the Other JV Properties which such subsidiary limited partnership purchases, if applicable;
- (b) with respect to the portion of the Other JV Consideration payable to PPI and certain other SmartCentres Vendors, subject to a potential election by PPI and certain other SmartCentres Vendors to change the number of Class B Units and/or Class C Units issued to them as described below:
 - (i) \$27.0 million in the aggregate through the issuance to PPI and certain other SmartCentres Vendors, or as PPI and such other SmartCentres Vendors may direct in writing, of:
 - (A) 939,449 Class B Units that are exchangeable on a one-for-one basis for Units in the aggregate;
 - (B) Special Voting Units in a number equal to the aggregate number of Class B Units issued to PPI and certain other SmartCentres Vendors on Acquisition Closing with a nominal value; and

- (C) 445,000 Class C Units in the aggregate with a nominal value; and
- (ii) by payment of the balance owing to PPI and certain other SmartCentres Vendors, or as PPI and such other SmartCentres Vendors may direct in writing, in cash by wire transfer of the percentage of the Other JV Consideration attributable to PPI or such other SmartCentres Vendors, as the case may be, less the amount referred to in (a) above, estimated to be \$51.8 million in the aggregate;
- (c) with respect to the portion of Other JV Consideration payable to the Third Party Owners:
 - (i) \$10.1 million in the aggregate through the issuance to the Third Party Owners, or as the Third Party Owners may direct in writing in accordance with their respective entitlements, of:
 - (A) 350,627 Class B Units that are exchangeable on a one-for-one basis for Units in the aggregate;
 - (B) Special Voting Units in a number equal to the aggregate number of Class B Units issued to the Third Party Owners on Acquisition Closing with a nominal value; and
 - (C) 245,000 Class C Units in the aggregate with a nominal value; and
 - (ii) by payment of the balance owing to the Third Party Owners, or as the Third Party Owners may direct in writing, in cash by wire transfer of the percentage of the Other JV Consideration attributable to the Third Party Owners less the amount referred to in (a) above, estimated to be \$47.3 million in the aggregate;

By providing written notice no later than the third business day prior to Acquisition Closing, the SmartCentres Vendors and Third Party Owners may increase or decrease the number of Class B Units and/or Class C Units issued as part of the Acquisition Consideration to them under each of their respective Property Agreements provided that (i) in the case of the SmartCentres Vendors, the aggregate value of Class B Type Units to be issued to the applicable SmartCentres Vendors in respect of the Acquisition pursuant to all of the Property Agreements to which they are a party shall not be less than \$142.5 million and shall not exceed \$174.2 million and the value of the Class B Type Units to be issued to SCRI under the WMJV Property Purchase Agreement shall not exceed the amount that is equal to the SCRI Purchase Price less 40% of the amount of indebtedness in connection with, and currently secured by, the WMJV Properties as of the date of Acquisition Closing; and (ii) in the case of the Property Agreements relating to the Oshawa Taunton SmartCentre, the Oshawa South SmartCentre and the Aurora North SmartCentre, the aggregate number of Class B Units to be issued to the applicable Property Vendors under such agreements shall not increase by more than 20% of the aggregate amounts set out above.

For a description of the Class B Units and the Class C Units, see “The Acquisition – Financing the Acquisition – Issuance of Class B Units, Class C Units and Special Voting Units”.

Under the Property Agreements, certain SmartCentres Vendors party to the Other JV Property Agreements or the Third Party Owners may elect to make certain tax elections in respect of their interests in the Acquisition Properties which would result in such interests being transferred to Calloway on a tax-deferred basis. The consideration payable under each of the Property Agreements is subject to adjustments customary on closing of the purchase or lease of a retail property, as the case may be. In addition, under the PPI Property Purchase Agreement and the Other JV Property Agreements for which future earn-outs are otherwise payable by Calloway upon completion of the leasing and development of currently undeveloped portions of the properties, in the event that after the Execution Date and prior to Acquisition Closing SCMI leases an undeveloped portion of such properties that represent an increase in the total leased area of the Acquisition Properties as of the Execution Date, then, such leases shall be subject to the earn-out formula as contemplated in the relevant Property Agreement.

The Property Agreements contain representations and warranties generally typical of those contained in large portfolio property acquisition agreements negotiated between sophisticated purchasers and vendors acting at

arm's length. Subject to such representations and warranties, the Acquisition Properties are being purchased on an "as is, where is" basis. Calloway provides property management services in respect of all of the Acquisition Properties, except the Montreal Premium Outlet and Markham East SmartCentres, and has completed all customary due diligence, including review of title, to satisfy itself so that the Property Agreements are not subject to further diligence review conditions.

The maximum aggregate liability of the Property Vendors under each of the applicable Property Agreements shall be limited to an amount equal to 10% of the relevant purchase price; provided that the liability cap shall not apply to purchase price and post-closing adjustments, the *Bulk Sales Act* (Ontario) indemnity, certain breaches of the agreements and such other exceptions contained in the applicable Property Agreement. No claim may be brought against the Property Vendors pursuant to any Property Agreement until the aggregate of all such claims pursuant to such agreement exceeds an amount equal to 1% of the relevant property purchase price (the "**Property Claims Amounts**") (provided that if the aggregate of all such claims exceeds the Property Claims Amount, Calloway shall be entitled to recover the full amount of such claims if such claims are successful, including the initial amount). Any claims arising from amendments to the representations and warranties of the Property Vendors during the period from the Execution Date to Acquisition Closing shall be included for the purpose of determining whether claims aggregating up to the Property Claims Amounts have arisen but shall not be recoverable by the applicable Calloway purchaser.

The Oakville Agreements to Lease provide that LP I will lease the Oakville property from the applicable landlord and related parties for a term of 49 years and shall prepay its current lease obligations, subject to certain adjustments, on Acquisition Closing.

Additional prepaid rent under the Oakville Agreements to Lease becomes payable upon the occurrence of an earn-out event during the designated earn-out period upon completion of leasing and development of currently vacant or undeveloped portions of the Oakville property. LP I will have an option to purchase the Oakville property at the end of the term of the lease for an agreed option price.

LP I currently holds a 50% leasehold interest in each of the Aurora North SmartCentre and the Oshawa South SmartCentre properties. Pursuant to the applicable Other JV Property Agreement, a New LP will acquire the 50% freehold interest in such properties not currently leased by LP I. Under the applicable leases, LP I will continue to have the option to acquire the balance of the freehold interest in such properties at the end of the term of the lease for an agreed option price.

Pursuant to the Jonquière Offer to Purchase, LP III has offered to purchase a 100% interest in the Jonquière SmartCentre property from WCRI and SCRI (as amended in accordance with the terms of the Jonquière Offer to Purchase). The Jonquière Offer to Purchase is conditional upon the closing of the transaction contemplated in the WMJV Property Purchase Agreement. The WMJV Property Purchase Agreement is not, however, conditional upon the Jonquière Offer to Purchase. The Jonquière Offer to Purchase is irrevocable by LP III and open for acceptance by WCRI and SCRI until the date that is 270 days from the Execution Date. In addition, if the Jonquière Offer to Purchase is accepted by WCRI and SCRI, WCRI and SCRI will have the right to remove from the Jonquière SmartCentre property being acquired that parcel of the Jonquière SmartCentre property containing one of the constructed buildings. If WCRI and SCRI exercise such right, the purchase price shall be reduced to reflect such exclusion and WCRI and SCRI shall obtain the severance of such lands within 18 months of the date of execution of the Jonquière Offer to Purchase. If no such severance has been obtained within such 18 month period, closing of the purchase of the Jonquière SmartCentre property may be extended by an additional 180 days. Closing of the purchase of the Jonquière SmartCentre property will take place 10 business days following the completion of such severance. As a result, closing of the purchase of the Jonquière SmartCentre is not a condition to the release of the Escrowed Funds.

Pursuant to the Orleans Purchase Agreement, LP III will acquire a 60% interest in the Orleans SmartCentre property from WCRI and PPI will acquire the remaining 40% interest in the Orleans SmartCentre property from SCRI. The Orleans Purchase Agreement is conditional upon the closing of the transaction contemplated by the WMJV Property Purchase Agreement. The WMJV Property Purchase Agreement is not, however, conditional upon the closing of the transactions contemplated by the Orleans Purchase Agreement. In addition, the Orleans Purchase Agreement contains a condition in favour of WCRI and PPI to obtain the severance of the Orleans property from adjoining lands to be retained by the vendors within 18 months of the execution of the Orleans Purchase Agreement

on terms acceptable to all parties. WCRI and PPI are responsible for all costs related to obtaining the severance. If no such severance has been obtained within such 18 month period, closing of the purchase of the Orleans SmartCentres property may be extended for an additional 180 days. Closing will take place 10 business days following the completion of such severance. As a result, closing of the purchase of the interest in the Orleans SmartCentre is not a condition to the release of the Escrowed Funds.

Calloway’s aggregate share of the maximum purchase price for these two retail development properties is \$17.5 million, subject to reductions as described above, to be satisfied by a combination of cash and vendor-take-back mortgages.

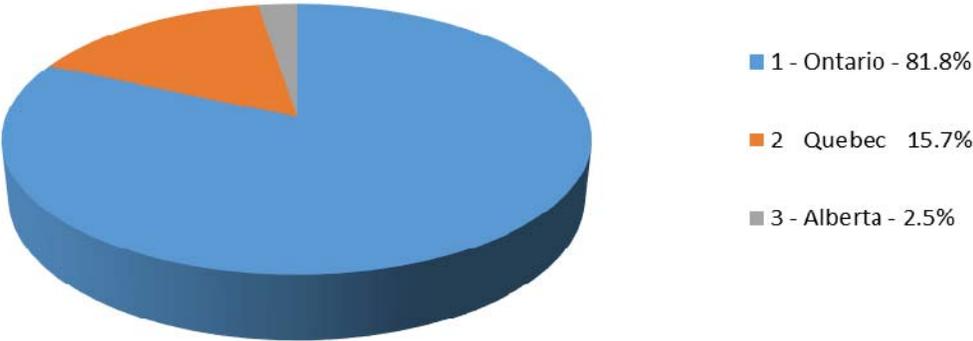
The aggregate purchase price for the Property Acquisition is approximately \$1.1 billion, with approximately \$918.4 million to be paid for income producing gross leasable area and approximately \$184.7 million to be paid for developable land, subject to certain adjustments, as the Shopping Centre Properties (as defined below) are on average approximately 66% complete. The income producing real estate is being purchased at an average capitalization rate of approximately 5.9%.

Overview of the Acquisition Properties

Pursuant to the Property Agreements, Calloway will acquire interests in a portfolio of 22 open format shopping centre properties (including Montreal Premium Outlet) (the “**Shopping Centre Properties**”) at Acquisition Closing and may acquire two retail development properties located in the following provinces of Canada:

- a) 1 property located in Alberta;
- b) 17 properties located in Ontario; and
- c) 6 properties located in Québec.

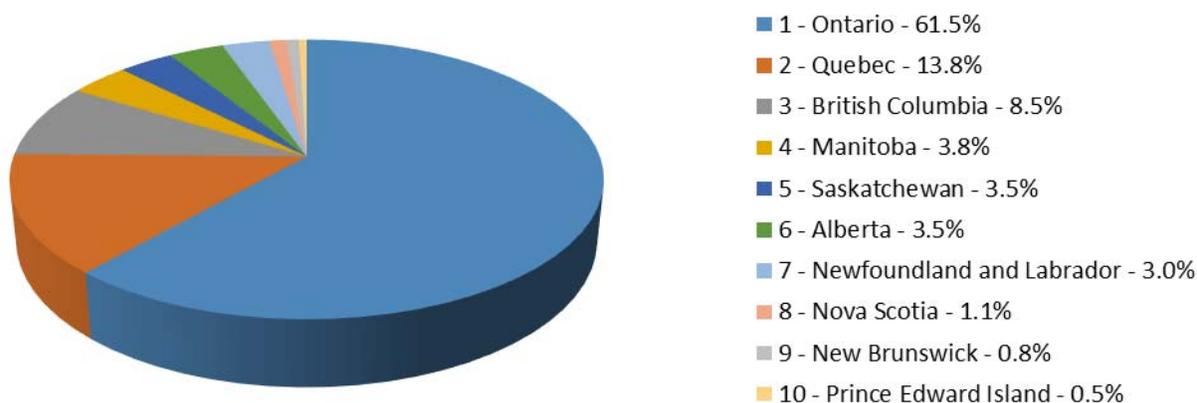
**Gross Revenues by Province
of the Acquisition Properties**



On a *pro forma* basis after giving effect to the Acquisition, the Property Portfolio will consist of 149 properties located in all of the provinces of Canada including:

- a) 13 properties located in British Columbia;
- b) 7 properties located in Alberta;
- c) 4 properties located in Saskatchewan;
- d) 3 properties located in Manitoba;
- e) 88 properties located in Ontario;
- f) 24 properties located in Québec;
- g) 2 properties located in New Brunswick;
- h) 2 properties located in Nova Scotia;
- i) 1 property located in Prince Edward Island; and
- j) 5 properties located in Newfoundland and Labrador.

Gross Revenues by Province of the Property Portfolio



The Shopping Centre Properties are comprised exclusively of open format retail properties. As at March 31, 2015, 100% of the combined gross rental revenue of the Shopping Centre Properties was derived from retail properties containing an aggregate of 3,550,840 square feet of developed leasable space. The Shopping Centre Properties are at various stages of completion as described in the chart below. The overall occupancy rate for the developed portions of the Shopping Centre Properties as at March 31, 2015, was 99.7%.

The Shopping Centre Properties also contain retail development lands with approximately 1.6 million square feet of potential leasable space of which approximately 1.3 million square feet in the SCRI/WCRI acquired portfolio can be developed for Calloway's own account and approximately 0.3 million square feet in the PPI and co-owned joint ventures acquired portfolios are subject to earn-out payments to PPI and third party vendors once developed and leased.

On a *pro forma* basis after giving effect to the Acquisition, the Property Portfolio is comprised almost exclusively of retail properties and developable lands for retail and mixed use purposes. As at March 31, 2015, approximately 99.9% of gross rental revenue is derived from retail properties containing an aggregate of 30,980,420 square feet of developed leasable space.

Virtually all of the Shopping Centre Properties have been built within the past ten years. Each of the Shopping Centre Properties has been professionally managed and well maintained with Calloway acting as the property manager for all but two of these properties. The Shopping Centre Properties enjoy the benefits of strong locations and professional management and leasing practices, resulting in low vacancy, stable income and controlled expenses.

The Acquisition Properties include interests in two retail development properties with up to 266,443 square feet of development and redevelopment leasable space. The Orleans property will only be acquired if certain severances are obtained, and if the applicable Property Vendor so elects, only part of the existing property will be purchased and such purchase will be subject to a severance being obtained. The Orleans property is adjacent to an existing Calloway shopping centre and has approximately 132,154 square feet of potential gross leasable space. The other property is subject to an offer to purchase by Calloway and has up to 134,289 square feet of potential gross leasable space. It has some 35,680 square feet of existing income producing property and very significant additional area for development and/or redevelopment. Information in this prospectus supplement referring to the Acquisition Properties includes these two retail development properties and information referring to the Shopping Centre Properties excludes these two retail development properties.

Acquisition Properties

The following table sets forth certain summary information as at March 31, 2015, with respect to the Acquisition Properties:

<u>Property</u>	<u>Location</u>	<u>Ownership Interest Acquired</u>	<u>Net Rentable Area⁽⁵⁾</u>	<u>Expected Future Developable Area⁽⁵⁾</u>	<u>Expected Future Earnout Area⁽⁵⁾</u>	<u>Occupancy</u>	<u>Major Tenants</u>
<i>Shopping Centre Properties</i>							
Alliston SmartCentre	Alliston	100%	170,574	164,959	-	100%	Walmart Supercentre, Dollarama, Tim Hortons
Aurora North SmartCentre	Aurora	50% ⁽¹⁾	248,547	-	7,529	100%	Walmart Supercentre, RONA, Best Buy, Golf Town, LCBO
Blainville SmartCentre	Blainville	100%	176,087	39,177	-	100%	Walmart Supercentre, Dollarama ⁽⁶⁾ , Bulk Barn, Scotiabank, Royal Bank of Canada
Bracebridge SmartCentre	Bracebridge	100%	142,377	61,973	-	100%	Walmart Supercentre, Dollar Tree, Boston Pizza, Bulk Barn
Bradford SmartCentre	Bradford	100%	238,165	183,562	-	100%	Walmart Supercentre, GoodLife Fitness ⁽⁶⁾ , Dollarama, Canadian Imperial Bank of Commerce
Bramport SmartCentre (II)	Brampton	100%	37,857	-	-	100%	Loblaws, No Frills
Brampton Northeast SmartCentre	Brampton	100%	210,194	48,050	-	100%	Walmart Supercentre, LCBO ⁽⁶⁾ , Canadian Imperial Bank of Commerce
Cornwall SmartCentre	Cornwall	100%	163,726	31,560	-	100%	Walmart Supercentre, Dollar Tree
Laval Centre SmartCentre	Laval	100%	159,779	102,199	-	100%	Walmart Supercentre

<u>Property</u>	<u>Location</u>	<u>Ownership Interest Acquired</u>	<u>Net Rentable Area⁽⁵⁾</u>	<u>Expected Future Developable Area⁽⁵⁾</u>	<u>Expected Future Earnout Area⁽⁵⁾</u>	<u>Occupancy</u>	<u>Major Tenants</u>
Markham East SmartCentre	Markham	40%	69,309	-	69,300	100%	Walmart Supercentre, Dollar Tree, Canadian Imperial Bank of Commerce
Mascouche North SmartCentre	Mascouche	100%	51,141	60,643	-	100%	Jean Coutu, Structube, McDonald's, Bulk Barn
Mississauga (Go Lands) SmartCentre	Mississauga	50% ⁽²⁾	56,402	-	3,010	100%	Toys R Us, Marshalls, Dollarama
Montreal Premium Outlet (Mirabel)	Mirabel	25% ⁽³⁾	91,407	-	25,000	90%	Hudson's Bay Outlet, Polo, Old Navy, Nike
Oakville SmartCentre	Oakville	100% ⁽⁴⁾	445,130	-	110,005	100%	Walmart Supercentre, Loblaws, Canadian Imperial Bank of Commerce, LCBO, The Beer Store
Oshawa North SmartCentre (II)	Oshawa	100%	159,514	-	19,939	100%	Home Outfitters, Winners, PetSmart, Party Packagers
Oshawa South SmartCentre	Oshawa	50% ⁽¹⁾	268,303	-	9,290	100%	Walmart Supercentre, Lowe's, Sail, Canadian Imperial Bank of Commerce, Dollarama
Port Elgin SmartCentre	Port Elgin	100%	115,524	-	-	100%	Walmart Supercentre
Stoney Creek SmartCentre	Stoney Creek	100%	262,778	100,373	-	100%	Walmart Supercentre, Toys R Us, Dollar Tree ⁽⁶⁾ , Canadian Imperial Bank of Commerce ⁽⁶⁾
Sylvan Lake SmartCentre	Sylvan Lake	100%	124,966	124,620	-	100%	Walmart Supercentre, Dollarama
Vaudreuil SmartCentre	Vaudreuil-Dorion	100%	15,052	38,967	-	100%	Brunet, Coco Fruitti ⁽⁶⁾
Vaughan Northwest SmartCentre	Vaughan	100%	162,953	344,351	-	100%	Walmart Supercentre, Canadian Imperial Bank of Commerce
Waterloo SmartCentre	Woolwich	100%	181,055	75,970	-	100%	Walmart Supercentre, Value Village, Mark's, Dollarama
Total Shopping Centre Properties			3,550,840	1,376,404	244,073	99.7%	

<u>Property</u>	<u>Location</u>	<u>Ownership Interest Acquired</u>	<u>Net Rentable Area⁽⁵⁾</u>	<u>Expected Future Developable Area⁽⁵⁾</u>	<u>Expected Future Earnout Area⁽⁵⁾</u>	<u>Occupancy</u>	<u>Major Tenants</u>
<i>Retail Development Properties</i>							
Jonquière SmartCentre	Jonquière	100%	35,680	134,289	-	N/A	Staples, Tim Hortons ⁽⁷⁾
Orleans SmartCentre	Orleans	60%	0	132,154	-	N/A	-
Total Retail Development Properties			35,680	266,443	-	N/A	
Total Acquisition Properties			3,586,520	1,642,847	244,073	99.7%	

Notes:

- (1) Calloway currently holds a 50% leasehold interest in this property. Following the Acquisition, Calloway will own a 50% freehold interest in this property and will continue to have an option to acquire the remaining 50% freehold interest in this property at the end of the term of the lease.
- (2) Following the Acquisition, Calloway will own 100% of this property as it currently owns the other 50%.
- (3) Following the Acquisition, Calloway will own 50% of this property as it currently owns a 25% interest.
- (4) Calloway will enter into a 49 year lease for this property with an option to acquire the freehold interest at the end of the term of the lease.
- (5) The 'Net Rentable Area', 'Future Developable Area' and 'Future Earnout Area' are presented in square feet.
- (6) This property has an executed head-lease with a tenant that has not yet taken possession of the premises.
- (7) These tenants occupy the developed portion of the property, with the remainder of the property expected to be redeveloped by Calloway following Acquisition Closing.

Tenant Mix

The following table illustrates the top ten tenants for the Acquisition Properties as at March 31, 2015, in terms of their percentage contribution to gross rental revenues of the Acquisition Properties:

<u>Tenant</u>	<u>% of Gross Rental Revenues</u>
Walmart	47.7%
Loblaws, Shoppers Drug Mart	4.1%
Toys "R" Us	2.5%
Canadian Imperial Bank of Commerce	2.3%
Dollarama	2.0%
Royal Bank of Canada	1.6%
Winners, HomeSense, Marshalls	1.4%
RONA	1.4%
Home Outfitters	1.3%
Lowe's	1.3%
Total	65.6%

The following table illustrates, on a *pro forma* basis after giving effect to the Acquisition, the top ten tenants for the Property Portfolio as at March 31, 2015, in terms of their percentage contribution to gross rental revenues of the Property Portfolio:

Tenant	% of Gross Rental Revenues
Walmart	26.9%
Canadian Tire, Mark's	4.7%
Winners, HomeSense, Marshalls	3.5%
Best Buy	2.6%
Reitmans	2.5%
Loblaws, Shoppers Drug Mart	2.4%
Sobeys	2.2%
RONA	2.0%
Michaels	1.5%
Staples	1.5%
Total	49.8%

Occupancy Rates/Lease Maturity

Overall, the Shopping Centre Properties will be virtually fully leased. The overall occupancy rate for the developed portion of the Shopping Centre Properties was 99.7% as at March 31, 2015. The weighted average lease maturity for the Shopping Centre Properties is 12.6 years. The following table summarizes the lease maturities for the Shopping Centre Properties as at March 31, 2015:

Expiries by Year	Area	% of Total Area
Month-to-month	0	0.0%
2015	15,525	0.4%
2016	18,101	0.5%
2017	122,999	3.5%
2018	126,554	3.6%
2019	79,644	2.2%
2020	151,984	4.3%
2021	46,381	1.3%
2022	50,645	1.4%
2023	159,762	4.5%
2024	112,633	3.2%
Beyond	2,657,471	74.8%
Vacant	9,141	0.3%
Total	3,550,840	100.0%

On a *pro forma* basis after giving effect to the Acquisition, the occupancy rate for the developed portion of the Property Portfolio was approximately 98.7% as at March 31, 2015. The weighted average lease maturity is 7.5 years (increasing from 6.8 years excluding the Acquisition Properties). The following table summarizes the lease maturities for the Property Portfolio on a *pro forma* basis as at March 31, 2015:

Expiries by Year	Area	% of Total Area
Month-to-month	171,731	0.6%
2015	632,486	2.0%
2016	1,658,748	5.4%
2017	1,901,167	6.1%
2018	2,234,962	7.2%
2019	3,017,856	9.7%
2020	2,964,547	9.6%
2021	2,469,436	8.0%
2022	2,991,978	9.7%
2023	2,497,952	8.1%
2024	1,917,642	6.2%
Beyond	8,149,488	26.1%
Vacant	389,856	1.3%
Total	31,080,700	100.0%

Pro Forma 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) on a *pro forma* basis as at March 31, 2015 after giving effect to the assumption of \$643.8 million in indebtedness as part of the consideration for the Acquisition:

	Payments of Principal (\$)	Debt Maturing During Year (\$)	Total (\$)	% of Total	Weighted Average Interest Rate of Maturing Debt
Secured Debt					
2015	64,194,777	146,615,971	210,810,748	5.4	4.52
2016	70,051,013	146,303,633	216,354,646	5.6	4.52
2017	66,745,011	221,982,724	288,727,735	7.5	4.32
2018	54,095,081	301,683,400	355,778,481	9.2	4.45
2019	48,411,387	342,750,120	391,161,506	10.1	3.00
2020	42,809,398	115,090,770	157,900,168	4.1	5.36
2021	37,576,541	120,510,343	158,086,884	4.1	4.78
2022	34,374,347	139,981,598	174,355,944	4.5	3.89
2023	26,913,367	146,058,059	172,971,426	4.5	4.68
2024	19,408,925	24,900,682	44,309,607	1.1	4.21
2025	12,090,313	123,819,281	135,909,594	3.5	4.15
2026	9,986,011	41,781,054	51,767,065	1.3	4.50
2027	5,157,344	-	5,157,344	0.1	-
2028	5,135,108	3,233,712	8,368,819	0.2	3.90
2029	5,326,334	-	5,326,334	0.1	-
Beyond	4,720,899	46,798,916	51,519,816	1.3	4.84

Revolving Operating Facilities

Operating facilities ⁽¹⁾	-	136,600,000	136,600,000	3.5	2.45
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Unsecured Debenture

2015	-	100,000,000	100,000,000	2.6	2.66
2017	-	150,000,000	150,000,000	3.9	3.39
2018	-	90,000,000	90,000,000	2.4	4.70
2019	-	100,000,000	100,000,000	2.6	5.00
2020	-	150,000,000	150,000,000	3.9	4.05
2021	-	150,000,000	150,000,000	3.9	3.75
2022	-	150,000,000	150,000,000	3.9	3.73
2023	-	200,000,000	200,000,000	5.2	3.99
2025	-	160,000,000	160,000,000	4.1	3.56

Convertible Debentures

2017	-	54,586,380	54,586,380	1.4	6.08
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Total	506,995,856	3,362,696,642	3,869,692,498	100.0	4.07
Mark-To-Market Adjustment			16,742,309		

3,886,434,807**Less: Deferred Financing Costs****(14,089,689)****Total Indebtedness****3,872,345,118**

Debt (excluding Convertible Debentures) to Total Assets	45.8%
Debt (including Convertible Debentures) to Total Assets	46.4%
Debt (excluding Convertible Debentures) as a percentage of Gross Book Value	53.4%
Debt (including Convertible Debentures) as a percentage of Gross Book Value	54.2%
Weighted average interest rate of secured debt (excluding adjustment for mark-to-market amortization of assumed term debt on acquisition)	4.24%

Notes:

- (1) Calloway has one revolving operating facility with up to \$320 million of available capacity which was unused at March 31, 2015.
(2) After June 30, 2015, the 5.75% convertible debentures may be redeemed by Calloway at any time.

Description of Acquisition Properties

A description of each of the Acquisition Properties as of March 31, 2015 is set out below.

Alliston SmartCentre, 30 Dunham Drive, Alliston, Ontario

Alliston SmartCentre is an approximately 171,000 square foot shopping centre that is situated on approximately 37.84 acres at Highway 89 and Regional Road 10 in Alliston, Ontario. A 151,709 square foot Walmart Supercentre anchors the site. Other major tenants include Dollarama, A&W, and Tim Hortons. An additional approximately 165,000 square feet of expected development potential remain on the site and will be developed internally by Calloway.

Aurora North SmartCentre, Aurora, Ontario

Aurora North SmartCentre is an approximately 497,000 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 212,973 square foot Walmart Supercentre anchors the site. Other major tenants include Rona, Best Buy, Golf Town,

LCBO, Dollarama, The Keg, Boston Pizza, Reitmans, Royal Bank of Canada and TD Canada Trust. An additional 15,000 square feet of expected development potential remains on the site and are subject to an earn-out arrangement. Calloway currently holds a 50% leasehold interest in this property. Following the Acquisition Closing, Calloway will own a 50% freehold interest in this property and will continue to have an option to acquire the remaining 50% freehold interest at the end of the term of the lease.

Blainville SmartCentre, 1333 Boulevard Michele-Bohec, Blainville, Québec

Blainville SmartCentre is an approximately 176,000 square foot shopping centre that is situated on approximately 19.17 acres at Autoroute des Laurentides and Chemin Notre-Dame in Blainville, Québec. A 131,357 square foot Walmart Supercentre anchors the site. Other major tenants include The Source, Dollarama, Royal Bank of Canada, Scotiabank, Bulk Barn, GNC, and Dairy Queen. An additional approximately 39,000 square feet of expected development potential remain on the site and will be developed internally by Calloway.

Bracebridge SmartCentre, 40 Depot Drive, Bracebridge, Ontario

Bracebridge SmartCentre is an approximately 142,000 square foot shopping centre that is situated on approximately 40.19 acres at Highway 11 and Taylor Road in Bracebridge, Ontario. A 115,779 square foot Walmart Supercentre anchors the site. A Home Depot also Shadow-Anchors the site. Other major tenants include Dollar Tree, Bulk Barn, Boston Pizza, A&W, and Pet Valu. An additional approximately 62,000 square feet of expected development potential remains on the site and will be developed internally by Calloway.

Bradford SmartCentre, 545 Holland Street West, Bradford, Ontario

Bradford SmartCentre is an approximately 238,000 square foot shopping centre that is situated on approximately 52.18 acres at 10th Sideroad and Highway 88 in Bradford, Ontario. A 168,571 square foot Walmart Supercentre anchors the site. Other major tenants include GoodLife Fitness, Dollarama, Bulk Barn, Canadian Imperial Bank of Commerce, Royal Bank of Canada, and St. Louis. An additional approximately 184,000 square feet of expected development potential remains on the site and will be developed internally by Calloway.

Bramport SmartCentre (II), 9920 Airport Road, Brampton, Ontario

Bramport SmartCentre (II) is an approximately 38,000 square foot Loblaws No Frills that is situated on approximately 4.22 acres at Bovaird Drive and Airport Road in Brampton, Ontario. The Loblaws No Frills is adjacent to an approximately 120,000 square foot property owned by Calloway.

Brampton Northeast SmartCentre, 5085 Mayfield Road, Brampton, Ontario

Brampton Northeast SmartCentre is an approximately 210,000 square foot shopping centre that is situated on approximately 23.46 acres at Mayfield Road and Bramalea Road in Brampton, Ontario. A 153,455 square foot Walmart Supercentre anchors the site. Other major tenants include Sally Beauty, Scotiabank, Royal Bank of Canada, CIBC, and Subway with construction to commence soon for an LCBO and a Goodlife Fitness Club. An additional approximately 48,000 square feet of expected development potential remains on the site and will be developed internally by Calloway.

Cornwall SmartCentre, 420 Ninth Street, Cornwall, Ontario

Cornwall SmartCentre is an approximately 164,000 square foot shopping centre that is situated on approximately 18.63 acres at 9th Street West and Cumberland Street in Cornwall, Ontario. A 154,510 square foot Walmart Supercentre anchors the site. Another major tenant is Dollar Tree. An additional approximately 32,000 square feet of expected development potential remains on the site and will be developed internally by Calloway.

Jonquière SmartCentre, 2380-2420 René-Lévesque Boulevard, Jonquière, Québec

Jonquière SmartCentre is a retail development property with existing income producing space of approximately 36,000 square feet. It is situated on approximately 35.18 acres at Boulevard Rene-Levesque and Autoroute 70 in Jonquière, Québec. Major tenants include Staples, The Source, EB Games, and Tim Hortons. An additional approximately 134,000 square feet of expected development and redevelopment potential remains on the site and will be developed internally by Calloway.

Laval Centre SmartCentre, 2075 Boul Chomedey, Laval, Québec

Laval Centre SmartCentre is an approximately 160,000 square foot shopping centre that is situated on approximately 48.11 acres at Boulevard St-Martin and Boulevard Daniel-Johnson in Laval, Québec. A 159,779 square foot Walmart anchors the site. An additional approximately 102,000 square feet of expected development potential remains on the site and will be developed internally by Calloway.

Markham East SmartCentre, 500 Copper Creek Drive, Markham, Ontario

Markham East SmartCentre is an approximately 173,000 square foot shopping centre that is situated on approximately 29.73 acres at Highway 407 and Donald Cousens Parkway in Markham, Ontario. A 153,840 square foot Walmart Supercentre anchors the site. Other major tenants include Dollar Tree, and CIBC. An additional approximately 173,000 square feet of expected development potential remains on the site, which will be acquired on an earn-out basis. Calloway will acquire a 40% interest in this property.

Mascouche SmartCentre (II), 185 Montee Masson, Mascouche, Québec

Mascouche SmartCentre (II) is an approximately 51,000 square foot shopping centre that is situated on approximately 39.13 acres at Autoroute 25 and Autoroute 640 in Mascouche, Québec. Major tenants include Jean Coutu, McDonald's, The Children's Place, Bulk Barn, and Structube. An additional approximately 61,000 square feet of expected development potential remains on the site and will be developed internally by Calloway. This is the second phase of development. The first phase was previously purchased by Calloway in 2004 and is anchored by an approximately 147,000 square foot Walmart Supercentre.

Mississauga (Go Lands) SmartCentre, 3150 Argentia Road, Mississauga, Ontario

Mississauga (Go Lands) SmartCentre is an approximately 113,000 square foot shopping centre that is situated on Winston Churchill Boulevard and Highway 401 in Mississauga, Ontario. A 50,696 square foot Toys "R" Us anchors the site. An approximately 115,000 square foot Real Canadian Superstore also Shadow-Anchors the site. Other major tenants include Marshalls, Dollarama, The Keg, TD Canada Trust and Tim Hortons. An additional approximately 6,000 square feet of expected development potential remains on the site and is subject to an earn-out arrangement. This property is adjacent to another approximately 548,000 square foot property owned by Calloway which contains a 129,376 square foot Walmart Supercentre. Calloway owns a 50% interest in this property and will be acquiring the remaining 50% interest.

Montreal Premium Outlet (Mirabel), Mirabel, Québec

Montreal Premium Outlet (Mirabel) is an outlet centre located on 50.74 acres at the intersection of Highway 15 and Chemin Notre Dame in Mirabel, Québec, just north of Montreal. The property opened on October 28, 2014 with tenants occupying approximately 299,000 square feet, including Hudson's Bay Outlet, Adidas, Bench, Calvin Klein, Coach, Max Mara, Nike, Old Navy and Polo. An additional approximately 100,000 square feet of expected development potential remains on this site and is subject to an earn-out arrangement. Any land not earned out at the end of ten years will be purchased by Calloway for \$600,000 per acre. Calloway owns a 25% interest in this property and will be acquiring another 25% interest. Simon Property Group owns the remaining 50%.

Oakville SmartCentre, 234 Hays Boulevard, Oakville, Ontario

Oakville SmartCentre is an approximately 445,000 square foot shopping centre that is situated on approximately 52.16 acres at Highway 5 and Trafalger Road in Oakville, Ontario. An approximately 195,000 square foot Walmart Supercentre and an approximately 120,000 square foot Loblaws anchor the site. Other major tenants include LCBO, The Beer Store, Bulk Barn, Reitmans, Addition Elle, Payless ShoeSource, EB Games, Ardene, Royal Bank of Canada, and Canadian Imperial Bank of Commerce. An additional approximately 110,000 square feet of expected development potential remains on the site and are subject to an earn-out arrangement. This property is being leased pursuant to a 49 year land lease and at the end of the term of the lease Calloway will have the option to purchase the freehold interest of the property.

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

Orleans SmartCentre is a development property that is situated on 20.44 acres at the intersection of Innes Road and Mer Bleue Road. The site has approximately 220,000 square feet of expected development potential and will be developed internally by Calloway. It is located adjacent to an existing Calloway shopping centre, which is an approximately 384,000 square foot shopping centre anchored by a 200,253 square foot Walmart Supercentre and a 32,192 square foot Home Outfitters. Calloway will be acquiring a 60% interest in this property.

Oshawa North SmartCentre (II), 991 Taunton Road East, Oshawa, Ontario

Oshawa North SmartCentre (II) is an approximately 160,000 square foot shopping centre that is situated on approximately 17.25 acres at Taunton Road East and Harmony Road North in Oshawa, Ontario, adjacent to a Walmart Supercentre anchored Calloway property. A 34,001 square foot Home Outfitters anchors the site. Other major tenants include Winners, PetSmart, Party Packagers, Boston Pizza, The Children's Place, Mastermind Toys, and Ardene. An approximately additional 20,000 square feet of expected development potential remains on the site and are subject to an earn-out arrangement.

Oshawa South SmartCentre, 680 Laval Drive, Oshawa, Ontario

Oshawa South SmartCentre is an approximately 537,000 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 221,029 square foot Walmart SuperCentre, a 141,848 square foot Lowe's, and an approximately 67,659 square foot Sail anchor the site. Other major tenants include Dollarama, Canadian Imperial Bank of Commerce, Urban Barn, La Vie en Rose, Moores, Swiss Chalet, Reitmans, International Clothiers, Bonnie Togs, Fairweather, Addition-Elle, Ardene, and Royal Bank of Canada. The site has approximately 19,000 square feet of expected development potential remains that are subject to an earn-out arrangement. Calloway currently holds a 50% leasehold interest in this property. Following the Acquisition Closing, Calloway will own a 50% freehold interest in this property and will continue to have an option to acquire the remaining 50% freehold interest at the end of the term of the lease.

Port Elgin SmartCentre, 5122 Highway 21, Port Eglin, Ontario

Port Elgin SmartCentre is an approximately 116,000 square foot shopping centre that is situated on approximately 17.10 acres at Highway 21 and County Road 25 in Port Elgin, Ontario. A 115,524 square foot Walmart Supercentre anchors the site.

Stoney Creek SmartCentre, 510 Centennial Parkway North, Stoney Creek, Ontario

Stoney Creek SmartCentre is an approximately 263,000 square foot shopping centre that is situated on approximately 34.87 acres at the QEW and Centennial Parkway in Stoney Creek, Ontario. A 185,600 square foot Walmart Supercentre and a 43,195 square foot Toys R Us anchor the site. Other major tenants include Sally Beauty, Dollar Tree, Canadian Imperial Bank of Commerce and Mucho Burrito. An additional approximately 100,000 square feet of expected development potential remains on the site and will be developed internally by Calloway.

Sylvan Lake SmartCentre, 3420 47th Avenue, Sylvan Lake, Alberta

Sylvan Lake SmartCentre is an approximately 125,000 square foot shopping centre that is situated on approximately 27.44 acres at Highway 20 and 47th Avenue in Sylvan Lake, Alberta. A 115,829 square foot Walmart Supercentre anchors the site. Another major tenant is Dollarama. An approximately additional 125,000 square feet of expected development potential remains on the site and will be developed internally by Calloway.

Vaudreuil SmartCentre, 3051 Boulevard de la Gare, Vaudreuil-Dorion, Québec

Vaudreuil SmartCentre is an approximately 15,000 square foot shopping centre that is situated on approximately 9.69 acres at Autoroute 40 and Autoroute 540 in Vaudreuil-Dorion, Québec. A Walmart Supercentre Shadow-Anchors the centre. Major tenants include Brunet, Pizza Pizza and Popeye's. An additional approximately 39,000 square feet of expected development potential remains on the site and will be developed internally by Calloway.

Vaughan Northwest SmartCentre, 3600 Major Mackenzie Drive West, Vaughan, Ontario

Vaughan Northwest SmartCentre is an approximately 163,000 square foot shopping centre that is situated on approximately 41.70 acres at Major MacKenzie Drive W and Weston Road in Vaughan, Ontario. An approximately 128,791 square foot Walmart Supercentre anchors the site. Other major tenants include Canadian Imperial Bank of Commerce, Popeye's, and Subway. An additional approximately 344,000 square feet of expected development potential remains on the site and will be developed internally by Calloway.

Waterloo SmartCentre, 335 Farmer's Market Road, Waterloo, Ontario

Waterloo SmartCentre is an approximately 181,000 square foot shopping centre that is situated on approximately 27.66 acres at Highway 85 and King Street North in Waterloo, Ontario. A 128,791 square foot Walmart Supercentre anchors the site. Other major tenants include Mark's, Dollarama, Arby's, A&W, and Value Village. An additional approximately 76,000 square feet of expected development potential remains on the site and will be developed internally by Calloway.

Agreements Related to Undeveloped Lands

At Acquisition Closing, PPI and affiliates and the Calloway subsidiary limited partnerships owning the relevant Acquisition Properties will enter into a separate agreement for each PPI Property and Other JV Property that contains undeveloped lands and/or vacant buildings (each such agreement, an "**Agreement re: Undeveloped Lands**"). Pursuant to each Agreement re: Undeveloped Lands for the relevant property SCMI shall be appointed to carry out: (i) the development, construction project management and initial leasing of the undeveloped lands; and/or (ii) the sale of undeveloped lands during the applicable earn-out period. The applicable Property Vendors have the right to earn proceeds (the "**Earn-Out Proceeds**") in connection with the completion of a rental or sale of all or part of the lands subject to an Agreement re: Undeveloped Lands during the applicable earn-out period. The earn-out periods vary from five years for some properties to 10 years for other properties. Pursuant to the Development Services Agreement, a Calloway subsidiary limited partnership will be retained to perform SCMI's obligations under each Agreement re: Undeveloped Lands, subject to the overall direction and control of PPI and its affiliates. The earn-outs are expected to total approximately 0.3 million square feet of space. The WMJV Properties are not subject to earn-out arrangements. In certain of the agreements, at the end of the applicable earnout period, Calloway must pay an amount based on the estimated residual land value with respect to the remaining undeveloped lands.

The formula used to calculate the Earn-Out Proceeds uses the actual net rent for the new development, divided by a capitalization rate ranging from 5.60% to 7.15%, as applicable to a particular development parcel, or the proceeds of a sale received by Calloway, as the case may be, less the development costs, leasing costs and all remaining capital costs of Calloway associated with such development parcel.

Calloway and its subsidiary limited partnerships will also enter into the Exchange Agreements, which provide the applicable Property Vendor with the right, at their option, to receive a portion of the Earn-Out Proceeds by exchanging Class C Units into Class B Units at a price equal to the then fair market value of the Units (based on the 10 day weighted average trading price prior to the actual issue of such Class B Units). Class B Units are exchangeable into Units on a one-for-one basis at the option of the holder.

The Acquisition Closing is conditional upon the receipt of Unitholder approval (including approval of the Acquisition by a majority of the votes cast at the Meeting by Public Unitholders and approval of certain amendments to the Declaration of Trust by Unitholders holding at least two-thirds of the votes cast at the Meeting and a majority of the votes cast at the Meeting by Public Unitholders), regulatory approvals, the closing of the Platform Acquisition and other customary closing conditions and there is no assurance that the conditions will be fulfilled or that the Acquisition Closing of the Property Acquisition will not be delayed or that the Property Acquisition will be completed.

The Platform Acquisition

The following is a summary of the Platform Purchase Agreement. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the Platform Purchase Agreement which has been filed with the Canadian securities regulatory authorities at www.sedar.com.

Pursuant to the Platform Purchase Agreement, Calloway Management have agreed to acquire the Platform Subject Assets from SCMI for consideration of approximately \$55.1 million, subject to adjustment as contemplated by the Platform Purchase Agreement (the “**Platform Purchase Price**”). The Platform Purchase Price shall be satisfied in cash by wire transfer to SCMI, or as SCMI may direct in writing.

Subject to obtaining the approval of the TSX, Calloway will change its name to “SmartREIT” and will change the names of certain affiliates to remove the reference to “Calloway” in such name and replace it with “Smart” on Acquisition Closing. Calloway will carry on the platform business under the SmartCentres Management name.

Calloway has agreed that an affiliate of Calloway shall offer employment to approximately 200 people engaged by SCMI, as of the Execution Date, on substantially the same terms and conditions of their current employment or service arrangement and shall recognize their past service. Calloway shall establish replacement benefit plans for the Transferred Employees and for the purpose of determining eligibility for membership or benefits, the period of employment shall include employment with both SCMI and Calloway and their employment shall be deemed not to have been interrupted at Acquisition Closing. The Transferred Employees are not members of a pension plan. Calloway has agreed to assume and be responsible for the vacation pay and severance pay associated with the Transferred Employees past service, however, Calloway shall have no liability or responsibility for any other employment and employee benefit-related liabilities, statutory payments, withholdings, obligations, claims and losses incurred, or arising out of the period prior to the Acquisition Closing adjustment date that relate to the Transferred Employees. SCMI has agreed to otherwise retain responsibility for pre-closing liabilities for Transferred Employees and for any persons who do not accept the offers of employment.

The Platform Purchase Agreement contains limited representations and warranties, certain of which are qualified as to materiality and knowledge of SCMI and subject to disclosed exceptions. Subject to such representations and warranties, the Platform Subject Assets are being purchased on an “as is, where is” basis.

The maximum aggregate liability of SCMI under the Platform Purchase Agreement shall be limited to an amount equal to 25% of the Platform Purchase Price; provided that the liability cap shall not apply to purchase price and post-closing adjustments, the *Bulk Sales Act* (Ontario) indemnity, the assumed and retained liabilities, certain breaches of the Platform Purchase Agreement, its agreed allocation of employee bonuses and the tax matters. No claim may be brought against SCMI until the aggregate of all such claims exceeds an amount equal to 2% of the Platform Purchase Price (the “**Platform Claims Amount**”) (provided that if the aggregate of all such claims exceeds the Platform Claims Amount, Calloway shall be entitled to recover the full amount of such claims, including the initial amount). Any claims arising from amendments to SCMI’s representations and warranties during the period from signing the Platform Purchase Agreement to Acquisition Closing shall be included for the purpose of determining whether claims aggregating up to the Platform Claims Amount have arisen but shall not be recoverable by Calloway Management.

If, during the period from the Execution Date to the Acquisition Closing, Mitchell Goldhar, SCMI, PPI or any of their affiliates acquires a Restricted Property, then it must deliver a notice offering to sell such Restricted Property to Calloway at the purchase price paid by the applicable party plus expenses incurred in connection with the acquisition of such Restricted Property and all carrying costs in connection with such Restricted Property.

As part of the Platform Purchase Agreement, Calloway will be assigned existing agreements under which SCMI provides acquisition, development, property management and leasing services to certain Goldhar Entities and third party co-owners of certain Goldhar Entities’ remaining properties, including remaining properties owned by the SCRI/WCRI joint venture, properties co-owned by Calloway and Goldhar Entities (such as Vaughan Metropolitan Centre) and construction project management services to Retrocom as well as transition services for certain Goldhar Entities. Calloway has also entered an agreement with WCRI, conditional upon Acquisition Closing, establishing the framework whereby it may offer acquisition, development, property management and leasing

services to WCRI in respect of projects to be agreed upon and jointly owned in the future. By replacing SCMI and the Goldhar Entities in future joint ventures with WCRI, Calloway expects to benefit from the existing strong relationship which has developed with WCRI over the past 20 years.

The Platform Purchase Agreement requires Calloway to seek Unitholder approval for certain changes to the Declaration of Trust, including changes to the composition of the entities which count towards existing voting thresholds upon which various existing governance rights granted to Mr. Goldhar and related entities are determined, expanding the definitions in some instances to include certain relatives of Mr. Goldhar and entities affiliated with Mr. Goldhar or such relatives of Mr. Goldhar or established for their benefit and the extension of the Voting Top-Up Right. The Platform Purchase Agreement also requires Calloway to specify the Unitholder approval threshold for certain fundamental changes is two-thirds of votes cast by Unitholders entitled to vote on such matters. SCMI has agreed to cause all Units beneficially owned or controlled by Mitchell Goldhar to be voted in favour of such amendments to the Declaration of Trust. For further information, see “The Acquisition – Governance and Investor Rights Agreement” and “The Acquisition – Amendments to Declaration of Trust”.

The closing of the Platform Acquisition is also conditional upon the receipt of Unitholder approval (including approval of a majority of the votes cast at the Meeting by the Public Unitholders and approval of certain amendments to the Declaration of Trust by Unitholders holding at least two-thirds of the votes cast at the Meeting and by a majority of the votes cast at the Meeting by the Public Unitholders), regulatory approval, the closing of the Property Acquisition and other customary closing conditions and there is no assurance that the conditions will be fulfilled or that the closing of the Platform Acquisition will not be delayed or that the Platform Acquisition will be completed.

On Acquisition Closing, Calloway and SCMI will enter into a platform employee practices agreement with respect to certain transition matters relating to the Transferred Employees such as the provision of minimum severance rights and the allocation of liability for bonuses for 2015 related to the period prior to the Acquisition Closing between Calloway and SCMI.

Mr. Goldhar is the direct and indirect owner of approximately 13,732,800 Units and 15,400,719 Special Voting Units (and 15,400,719 underlying Class B Units) (or approximately 21% of the outstanding Units). Upon the completion of the Acquisition, Mr. Goldhar will control, directly or indirectly, approximately 23% of the outstanding Units and Special Voting Units, being 13,732,800 Units and 20,278,768 Special Voting Units (and 20,278,768 underlying Class B Units, including the Class B Units received as part of the Acquisition Consideration, but assuming that neither PPI, SCRI or SCMI make the election described above to increase or decrease the number of Class B Units paid as part of the Acquisition Consideration). To the knowledge of Calloway, other SmartCentres Vendors own no Units and 2,839,869 Special Voting Units and upon the completion of the Acquisition will own no Units and 3,128,373 Special Voting Units (and 3,128,373 underlying Class B Units).

Governance and Investor Rights Agreement

Calloway, Mitchell Goldhar, PPI, SCRI and certain other persons will enter into the Governance and Investor Rights Agreement on Acquisition Closing.

Under the Governance and Investor Rights Agreement, Calloway has agreed to establish a formal Executive Committee comprised of the following senior management of Calloway: the CEO, the Chief Financial Officer, the Chief Operating Officer, the Chief Development Officer, the Executive Vice-President (Asset Management) and such senior management as the CEO shall designate from time to time. The Executive Committee will be responsible for overseeing all significant matters affecting Calloway. For so long as the MG Entities beneficially own Units and Special Voting Units representing at least 10% of the outstanding Units and Special Voting Units, the Executive Committee will include the CEO, the Chief Operating Officer and the Chief Development Officer.

In addition, Calloway shall establish and maintain, for the five year period commencing on Acquisition Closing (which is subject to a five-year extension at the option of Mitchell Goldhar), so long as the MG Entities beneficially own Units and Special Voting Units representing at least 10% of the outstanding Units and Special Voting Units, an advisory Real Estate Committee to advise the CEO on material real estate matters comprised of the following: the CEO, the Chief Financial Officer, the Chief Operating Officer, the Chief Development Officer, the

Executive Vice President Asset Management, the Senior Vice President Leasing, the Senior Vice President Construction and the leaders of the business units of SCMI who are to be employed by Calloway. Mitchell Goldhar shall have the right to be appointed as an observer to the Real Estate Committee and shall have the right to attend and participate at all meetings of the Real Estate Committee (except in respect of matters in which an MG Entity is a counterparty).

Until the earlier of (a) the date that is five years from Acquisition Closing, and (b) the date on which the MG Entities no longer beneficially own Units and Special Voting Units representing at least 10% of the outstanding Units and Special Voting Units, the MG Entities shall have the right to appoint one trustee to the Corporate Governance and Compensation Committee of Calloway (the “**CGCC**”) which trustee shall not be required to be independent for purposes of applicable securities laws; provided that at least two trustees of the CGCC shall be independent for purposes of applicable securities laws and shall be independent from Mitchell Goldhar and any MG Entity and all decisions of the CGCC related to the New CGCC Powers shall require unanimous approval of the members of the CGCC (the “**New CGCC Rights**”). The mandate of the CGCC shall be amended to include (i) the appointment and removal of the Chief Operating Officer and the Chief Development Officer of Calloway; (ii) any change to the compensation, including benefits, of each such officer of Calloway (other than any changes to Unit based compensation plans generally applicable to all senior executives) where such change may be adverse to such officer; and (iii) any significant changes in the responsibilities of each such officer of Calloway (the “**New CGCC Powers**”). Unitholders are being asked, as part of the amendments to the Declaration of Trust, to vote on an amendment to the Declaration of Trust to implement this provision.

For so long as the MG Entities are entitled under the Declaration of Trust to nominate at least one trustee to the Board (a “**SC Nominee**”) which right applies so long as the MG Entities hold 5% of the outstanding Units and Special Voting Units, the MG Entities shall have the right to appoint one SC Nominee to any special committee formed for the purposes of evaluating material transactions involving Calloway; provided that an SC Nominee may not serve on a special committee where a MG Entity is an “interested party” (as such term is defined in MI 61-101) in the applicable transaction.

Provided that he is a trustee of Calloway, Mitchell Goldhar shall have the right to serve as the Chair of the Board from Acquisition Closing until the earlier of (a) the date that is 10 years from Acquisition Closing, and (b) the date that the MG Entities no longer beneficially own Units and Special Voting Units representing at least 10% of the outstanding Units and Special Voting Units. Mr. Goldhar will assume such role upon Acquisition Closing. The Board has resolved to appoint a Lead Independent Trustee conditional on, and effective as of, the Acquisition Closing.

None of the above requirements and rights are assignable by Mr. Goldhar and shall terminate in any case upon his death if not otherwise previously terminated in accordance with their terms.

The Governance and Investor Rights Agreement provides that, subject to certain exceptions, commencing four months after the Acquisition Closing, upon the written request of an MG Entity (each, a “**Requesting Unitholder**”), Calloway will use commercially reasonable efforts, subject to complying with applicable securities laws and stock exchange requirements, to take such steps as may be necessary to qualify for distribution to the public all or any whole number of Units held by the Requesting Unitholder (the “**Demand Registration Rights**”).

In addition, commencing four months after the Acquisition Closing, if Calloway proposes to make a distribution of Units to the public, Calloway will give Mr. Goldhar or his designee written notice of the proposed distribution, including proposed pricing. Upon the written request of an MG Entity, Calloway will use commercially reasonable efforts to cause to be qualified in such offering the applicable number of Units that MG Entity requested be included (the “**Piggy-Back Registration Rights**”). The Demand Registration Rights and the Piggy-Back Registration Rights granted to the MG Entities shall terminate at such time as the MG Entities no longer beneficially own Units and Special Voting Units representing at least 10% of the outstanding Units and Special Voting Units.

Subject to certain exceptions, provided that the MG Entities beneficially own Units and Special Voting Units representing at least 10% of the outstanding Units and Special Voting Units, if Calloway or any of its subsidiaries proposes to offer Participating Interests, the MG Entities shall be entitled to participate in such issuance on a pro rata basis, but only to the extent necessary to maintain their then respective proportional fully-diluted

interest in Calloway (the “**Pre-Emptive Rights**”). Prior to the closing of any such proposed offering, Calloway shall deliver to the designee of the MG Entities a notice in writing offering the MG Entities the opportunity to subscribe for a pro rata number of Participating Interests. The MG Entities will be entitled to participate in the issuance of the Participating Interests by way of private placement at the same price and on the same terms as such Participating Interests are to be offered by Calloway to any party.

The Demand Registration Rights, Piggy-Back Registration Rights and the Pre-Emptive Rights in the Governance and Investor Rights Agreement are not assignable except in connection with the transfer of some or all of that MG Entity's exchangeable Units or Units to a person who is an MG Entity, including heirs, assigns or executors of Mitchell Goldhar. Calloway cannot undertake a merger or other transaction whereby all or substantially all of its assets would become the property of any other person or continuing entity unless such other person or continuing entity agrees to be bound by the Governance and Investor Rights Agreement, provided that this prohibition only applies if immediately following the consummation of such transaction, the Unitholders immediately prior to the consummation of such transaction will hold more than 66 2/3% of the outstanding votes attached to all securities of the successor immediately following the completion of such transaction.

In the event that (i) the MG Entities beneficially own less than 10% of the outstanding Units and Special Voting Units for a period of 15 consecutive days, all of the rights that apply where the MG Entities own at least 10% of the outstanding Units and Special Voting Units shall forever terminate; and (ii) the MG Entities beneficially own less than 5% of the outstanding Units and Special Voting Units for a period of 15 consecutive days, the Governance and Investor Rights Agreement shall terminate.

Non-Competition Agreement

The Platform Subject Assets represent substantially all of the assets of SCMI's business relating to open format retail and mixed use development and leasing, but exclude its activities in relation to the retained existing real property interests and non-realty business interests of the MG Entities and approximately 60 personnel that support such property interests and other business activities. Mr. Goldhar will not be an employee of Calloway, although he will serve as Chair of the Board and have governance rights in relation to the significant equity interest he currently holds, directly and indirectly, in Calloway and will continue to hold as a result of the Acquisition, including the right to be an observer on the Real Estate Committee. SCMI through Mr. Goldhar will provide certain consulting services in respect of the master planning of Calloway's mixed use developments. Calloway will also provide services to the Goldhar Entities through the Development Services Agreement and pursuant to numerous existing contracts to be assigned to Calloway as part of the Platform Acquisition.

On Acquisition Closing, Mitchell Goldhar, PPI, SCRI, SCMI, Calloway, Calloway Management and certain other Calloway subsidiaries will enter into the Non-Competition Agreement. Subject to certain exceptions set out below, the Non-Competition Agreement shall prohibit each of the Restricted Parties, during the Restricted Period from (a) carrying on, or engaging in, any Restricted Activity; (b) inducing any person who is a Transferred Employee or an agent, salesperson, contractor, customer, supplier or partner of PPI, SCRI or SCMI in connection with the Platform Subject Assets or Acquisition Properties on Acquisition Closing or within the one month period prior to Acquisition Closing to leave, to stop selling to, or stop buying from or otherwise cease dealing with Calloway or any of its affiliates; or (c) except pursuant to the Development Services Agreement, soliciting for employment or contracting for services of any person who is employed by Calloway or its affiliates. During the Restricted Period, Calloway and its affiliates shall not be permitted to solicit for employment or contract for services of any person who is employed by, or substantially all of whose services are made available to, any of the Restricted Parties (other than as an employee of Calloway or its affiliate).

The Restricted Parties and their affiliates shall not be subject to any of the restrictions under the Non-Competition Agreement in respect of: (a) certain investments in publicly traded entities where Mr. Goldhar is not an officer, trustee, director, employee or paid consultant of such entity and does not have the right to appoint a director, trustee or officer; (b) investments in Retrocom and/or Calloway; (c) certain passive investments in private entities that hold less than a specified threshold of, and derive less than a specified threshold of revenues from, Restricted Properties held for retail use; (d) investments in public or private entities that hold less than a specified threshold of, and derive less than a specified threshold of revenues from, Restricted Properties held for retail use; and (e) any Restricted Property where the Restricted Party provides Calloway with written notice of a bona fide proposed purchase of, investment in or lending in respect of such Restricted Property which includes the proposed terms and

conditions of such proposed Restricted Activity and Calloway decides not to pursue such activity. If Calloway decides to pursue the applicable proposed Restricted Activity, none of the Restricted Parties shall undertake the proposed Restricted Activity. Where the proposed Restricted Activity is in respect of two specific Premium outlet mall opportunities, the Restricted Party must allow Calloway to participate in such proposed Restricted Activity with a percentage interest not less than the percentage interest of the applicable Restricted Party in such proposed Restricted Activity and on terms not less favourable to Calloway as to the applicable Restricted Party.

Mr. Goldhar may first offer certain proposed Restricted Property acquisition opportunities to Retrocom, and if Retrocom does not accept such opportunities, then to Calloway, if such opportunity relates to the purchase of, investment in, or loan in respect of an interest in (a) any open format shopping centre with under 250,000 square feet of retail space that is not located in a municipality in Canada with a population of more than 150,000, (b) any open strip plaza with under 100,000 square feet of retail space or (c) any enclosed shopping mall.

Mr. Goldhar does not have any obligation to offer any Non-Restricted Properties to Calloway should he choose to sell them.

The Non-Competition Agreement shall terminate on the expiry of the Restricted Period or, if applicable, the Rezoning Restricted Period.

Trade-Mark License Agreement

On Acquisition Closing, CMLP and the Licensees will enter into the Trade-Mark License Agreement. Under the Trade-Mark License Agreement, CMLP shall grant the Licensees a perpetual royalty free, non-exclusive, non-transferable license to use the Trade-Marks for use on signage and marketing materials (including websites) in connection with the ownership, development, leasing, operating and management of certain properties for retail, restaurant, recreational, office, residential and/or commercial purposes as well as for internal use of documents, software and systems. In addition, CMLP shall grant SCRI a perpetual royalty free, non-exclusive, non-transferable license to use "SmartCentres" in its corporate name as long as SCRI remains a private company. The Trade-Marks will be licensed on an "as is" basis.

Neither the Trade-Mark License Agreement nor any of the rights arising from it shall be transferred by a Licensee except (a) with the prior written consent of CMLP; (b) to an affiliate of a Licensee; or (c) by way of sublicense of the Trade-Marks to a third party for use in connection with an Existing Third Party Property, but (i) in the case for use in connection with an Existing Third Party Property, only on terms that are the same as the terms for the license or right to use Trade-Marks granted by a Licensee to such third party in existence on the date of Acquisition Closing; and (ii) in the case of any assignment of rights permitted pursuant to the Trade-Mark License Agreement, only if the assignee enters into an agreement with CMLP in a form acceptable to CMLP, acting reasonably, pursuant to which such assignee assumes the obligations of its assignor under the Trade-Mark License Agreement. The Trade-Mark License Agreement and the rights arising from it may be transferred in whole or in part by CMLP without the prior consent of the Licensee. Except in connection with existing arrangements under item (c) above, any proceeds received by a Licensee in consideration for a transfer or sublicense other than out-of-pocket expenses shall be immediately paid to CMLP.

Development Services Agreement

The Calloway Service Provider, SCMI, SCRI and PPI have agreed to enter into the Development Services Agreement on Acquisition Closing whereby the Calloway Service Provider has agreed to provide the Penguin Group with certain development, management, transition and support services (including, among other services, human resources and information technology services) for a period of five years with automatic five year renewal periods thereafter (except in the case of the transition services which shall only be provided during the initial five years of the term). The services shall include all types of functions currently performed by the Transferred Employees for specified remaining properties owned or co-owned by a member of the Penguin Group and properties subject to earn-out development agreements. The Calloway Service Provider shall also provide development and management services for the Vaughan Metropolitan Centre.

Development, management and support service fees shall be paid to the Calloway Service Provider. In addition, the Penguin Group shall pay Calloway the following fees for transition services: (i) for a period of three

years beginning on Acquisition Closing and ending on the third anniversary of Acquisition Closing, an annual amount equal to \$4 million; (ii) for a period of one year beginning on the first day after the third anniversary of Acquisition Closing and ending on the fourth anniversary of Acquisition Closing, an amount equal to \$3 million; and (iii) for a period of one year beginning on the first day after the fourth anniversary of Acquisition Closing and ending on the fifth anniversary of Acquisition Closing, an annual amount equal to \$2 million, with all amounts being paid in arrears in quarterly instalments.

At any time following the fifth anniversary of Acquisition Closing, the Calloway Service Provider shall have the right to terminate the Development Services Agreement on not less than 24 months' written notice provided that such notice may only be delivered following the fifth anniversary of Acquisition Closing and the Penguin Group shall have the right to terminate the Development Services Agreement in respect of one or more projects on not less than 90 days' written notice. At any time after the fifth anniversary of Acquisition Closing, the Penguin Group upon six months' notice or the Calloway Service Provider upon 12 months' notice may discontinue any or all of the support services (including office administration, human resources, legal, insurance, marketing, architectural and tax services).

SCMI Master Planning and Other Services Agreement

On Acquisition Closing, Calloway, Calloway Management and SCMI will enter into the SCMI Master Planning and Other Services Agreement with a term expiring on the earlier of (a) five years after the date of the Acquisition Closing, and (b) the date Mitchell Goldhar is no longer involved on behalf of SCMI in the provision of the services under the agreement. Under the SCMI Master Planning and Other Services Agreement, Calloway will appoint SCMI to perform certain master planning services in connection with real property owned by Calloway and its subsidiaries and consulting services with respect to certain potential tenants. Calloway shall pay SCMI (i) a quarterly fee of \$875,000 in respect of the master planning services; and (ii) specified amounts, not expected by Calloway to exceed \$475,000 in the aggregate, payable after entry into leases in respect of any applicable tenancy for which consulting services have been provided. In addition, in the event that Calloway or its subsidiaries completes an acquisition of real property where the opportunity to acquire such real property is sourced by SCMI and which property is not (i) listed publically for sale or otherwise generally available for sale; (ii) contemplated at the time of acquisition to be a Walmart anchored site; and (iii) a real property in respect of which the opportunity to acquire had otherwise been brought to one or more Calloway entities by a third party prior to SCMI or any of its affiliates bringing such opportunity to one or more Calloway entities, Calloway shall pay SCMI a fee equal to 3% of the purchase price payable by the purchaser for the real property.

Benefits of the Transaction

Management believes that the Acquisition will have a number of benefits for Calloway, including the following:

High Quality, Sizeable Real Estate Portfolio: As a result of the Property Acquisition, Calloway will add 22 open format shopping centre properties and two retail development properties totalling approximately 3.6 million square feet of leasable space. Calloway currently has an interest in four of the Shopping Centre Properties. The Acquisition Properties include 16 sites that are anchored by Walmart Supercentres, four sites that are Shadow Anchored by Walmart Supercentres and one site that is anchored by a large grocery store tenant. *Pro forma* the Acquisition, Calloway shopping centres will have 107 Walmart anchored or Shadow-Anchored locations, with 93 such sites owned by Calloway (representing approximately 13.1 million square feet) and 14 such sites being Shadow-Anchored locations, making Calloway one of the most significant landlords in the world to this prominent global retailer. Calloway is currently the property manager of all of the Shopping Centre Properties except two.

Fully Integrated Real Estate Platform: Over the last 20 years, SCMI has managed the development of over 50 million square feet of retail space, including more than 170 Walmart stores, primarily under the SmartCentres brand and is also emerging as a mixed use property development manager under the SmartUrban brand. It currently provides services to Calloway, the SCRI/WCRI joint venture, PPI and its joint venture partners as well as the Calloway/PPI joint venture developing the Vaughan Metropolitan Centre, a major mixed use development north of Toronto. Management believes the Acquisition is a transformative development that will reinforce Calloway's role as a leading Canadian retail real estate owner and operator, enabling Calloway to become fully integrated from the identification of new sites all

the way through development, construction project management, site intensification, leasing and operations. Calloway believes that the combination of its existing best-of-class retail real estate assets, its significantly enhanced portfolio and its existing acquisition and property management capabilities together with the substantive capabilities Calloway will obtain through ownership of Canada's most experienced open format retail real estate development platform will provide significant opportunities for both continued stability and enhanced growth for Unitholders.

Enhanced Growth: A number of the Acquisition Properties have significant remaining intensification and development potential with two of the Acquisition Properties being retail development properties (one is adjacent to an existing shopping centre owned by Calloway and the other will be substantially redeveloped). In total, the Acquisition Properties include a further approximately 1.6 million square feet of leasable space to be developed on our account over time and an additional approximately 0.3 million square feet of leasable area which is subject to earn-out payments to PPI and other vendors once developed and leased. Earn-outs are achieved based on certain development and leasing milestones and will be paid at pre-determined capitalization rates, in part at PPI's and other vendors' option, with up to 1,170,000 limited partnership units based on the then market trading price of Units, which are exchangeable into Units on a one-for-one basis. Further, management anticipates that our enhanced strategic relationship with WCRI will build on the 20 year relationship between WCRI and the SmartCentres group to provide Calloway with potential long-term growth opportunities. Subject to the completion of the Acquisition, Calloway has entered into an agreement with WCRI under which Calloway may offer acquisition, development, leasing and other construction property management services to WCRI with respect to projects to be agreed upon and jointly owned in the future by Calloway and WCRI.

Accretive: Management expects the Acquisition to be accretive to Calloway's FFO per Unit and AFFO per Unit, excluding one-time transaction and integration costs, and increasingly contribute to Calloway's earnings and business development pipeline.

Distribution Stability: Calloway is increasing its asset base by approximately 15.4% with properties housing national tenants consistent with Calloway's existing high quality tenant base. Management expects this to enhance distribution stability and durability. The occupancy rate of the Shopping Centre Properties is approximately 99.7%. Walmart will represent, on a *pro forma* basis as of March 31, 2015, approximately 26.9% of the gross rental revenue of Calloway, increasing from 24.1% as of December 31, 2014.

Branding: Calloway is acquiring the intellectual property owned by SCMI and will seek to leverage the considerable SmartCentres brand recognition (including the trademark penguins) over the entire shopping centre portfolio. As well, Calloway will use the SmartUrban brand in connection with its mixed use development services and mixed use developments, such as the Vaughan Metropolitan Centre. As a result, Calloway intends to change the name of Calloway to SmartREIT and will operate the platform under the SmartCentres Management name. It will also change its ticker symbol to SRU.UN.

Lease Maturity Profile: The weighted average lease term of the Shopping Centre Properties is 12.6 years, which will increase the weighted average lease term to maturity of Calloway's property portfolio from 6.8 years to 7.5 years.

Background and Recommendations

Calloway has from time to time in the past sought to purchase the business of SCMI. Mr. Thomas, upon becoming CEO in 2013 and after extensive discussion with the independent trustees, again commenced preliminary discussions with Mr. Goldhar and SCMI about a possible transaction between Calloway and the SmartCentres group of companies.

As a result of these discussions, on September 4, 2014, the Board established the Special Committee to assist management in assessing and progressing the Acquisition. The Board provided the Special Committee with a mandate to, *inter alia*, supervise the conduct of, and, if necessary or appropriate, to conduct any negotiations or discussions on behalf of Calloway with respect to the Acquisition.

Following its formation, the Special Committee met to discuss its mandate, as the Acquisition constitutes a “related party transaction”. The Special Committee also discussed its specific roles and responsibilities, such as selecting and engaging qualified independent valuers and supervising the preparation of a formal valuation in respect of the Acquisition. The Special Committee also discussed the engagement of separate independent legal counsel to assist it in complying with its roles and responsibilities and with applicable laws.

Mr. Thomas and Mr. Gobin, Calloway’s Executive Vice, President Asset Management, under the direction of the Special Committee, continued discussions concerning a possible transaction and the broad outline of the scope of such a transaction, including a range of potential terms. The Special Committee was briefed by and provided direction to, senior management from September to November 2014 in respect of the evolving negotiations. In November 2014, a non-binding understanding as to the broad scope of the transaction was reached.

The Special Committee retained the services of Torys LLP to act as its independent legal counsel. The Special Committee’s legal counsel explained to the Special Committee the role and obligations of the Special Committee in evaluating the Acquisition. The Special Committee determined that, although not required under MI 61-101, in the interest of good governance and best practices in complying with the TSX rules, the Board should: (i) obtain an independent formal valuation of the Acquisition Properties and the Platform Subject Assets; and (ii) seek the approval of the Acquisition by the Public Unitholders. The Special Committee also determined, independent of the requirements of MI 61-101, to seek the advice and expertise of a financial advisor in connection with the fairness, from a financial point of view, of the Acquisition Consideration. The members of the Special Committee also concluded that each of them is independent of the management of Calloway and the Goldhar Entities.

The Special Committee selected CIBC to provide certain financial advisory services, including the Fairness Opinion. The Special Committee selected CIBC based principally on CIBC’s overall institutional strength, expertise and experience in assessing assets such as the Acquisition Properties and Platform Subject Assets and its expertise with Calloway as an underwriter. CIBC and Calloway entered into the CIBC Engagement Letter to reflect the formal terms of engagement of CIBC to act as the financial advisor in evaluating the Acquisition and to provide the Fairness Opinion. Under the CIBC Engagement Letter, Calloway agreed to pay CIBC a fee (part of which is contingent on the completion of the Acquisition) as compensation for the financial advisory services rendered by CIBC in respect of the Acquisition, which fee is payable at Acquisition Closing. Pursuant to the terms of the CIBC Engagement Letter, Calloway also agreed to pay a fee to CIBC (which is not contingent on the completion of the Acquisition) as compensation for providing the Fairness Opinion, payable upon delivery of the Fairness Opinion to the Special Committee.

The Special Committee also selected Cushman to appraise the value of the Acquisition Properties and to prepare a report of its appraisal. On January 6, 2015, Calloway and Cushman entered into a letter agreement setting out the formal terms of Cushman’s engagement. The fee payable to Cushman under such engagement letter is a fixed fee that is not contingent upon the value of the Acquisition Properties appraised by Cushman or the outcome of the Acquisition.

In retaining Cushman, the Special Committee concluded that, consistent with the principles of MI 61-101, Cushman is independent of all interested parties to the Acquisition and that Cushman possessed the appropriate qualifications to conduct the Appraisal.

The Special Committee also selected KPMG to determine the fair market value of the Platform Subject Assets and, by reliance on the appraisal report prepared by Cushman, the fair market value of the Acquisition Properties. On December 19, 2014, Calloway entered into a letter agreement with KPMG setting out the terms and conditions of KPMG’s engagement. KPMG was paid a fee based on fixed rates and such fees are not contingent upon the valuation of the Acquisition Properties and the Platform Subject Assets or the outcome of the Acquisition.

In retaining KPMG, the Special Committee concluded that, consistent with the principles of MI 61-101, KPMG is independent of all interested parties to the Acquisition and that KPMG possessed the appropriate qualifications to conduct the Valuation.

From November 2014 to April 2015, representatives of Calloway and the Goldhar Entities, including their respective legal counsel, engaged in continuing discussions relating to the Acquisition, including the preparation and negotiation of definitive agreements relating to the Acquisition. Calloway also continued with its due diligence

investigation of the Acquisition Properties and Platform Subject Assets to be purchased by Calloway and the Acquisition in general.

At the request of the Special Committee, Calloway's management provided the Special Committee with regular updates on the status of the Acquisition throughout the negotiations and due diligence investigation processes and discussed with the Special Committee the potential benefits and risks connected with the Acquisition.

In numerous meetings held between January 2015 and April 2015, with the assistance of its legal advisors, the Special Committee conducted an ongoing review of the terms and conditions of the Acquisition, including the governance arrangements and other agreements with Mr. Goldhar and the Goldhar Entities such as the Non-Competition Agreement, Trade-Mark Licence Agreement, Development Services Agreement and Governance and Investor Rights Agreement.

In January 2015, the SmartCentres group advised WCRI of the proposed transaction and the terms thereof. WCRI advised that it would consider the terms and subsequently advised that it was prepared to consider the sale of its interest in the WMJV Properties. In addition, WCRI expressed a desire to sell its interest in two other properties. After discussion with the Special Committee, Calloway also negotiated the purchase of the additional properties in parallel to the other property purchase negotiations. WCRI also indicated its willingness to consider Calloway as a replacement for SCRI in the joint venture structure for future projects.

In March 2015, the Special Committee received the preliminary reports from Cushman and KPMG. The Special Committee, together with its legal and financial advisors, met with KPMG and Cushman on March 9, 2015 to discuss their methodology, assumptions and findings.

In March 2015, the Special Committee received advice from CIBC regarding the Acquisition, including the potential issuance of its fairness opinion.

In March 2015, the SmartCentres group informed, on a confidential basis, the other co-owners of the Other JV Properties of the proposed Property Acquisition and the terms for the specific properties in which such parties had an interest.

Later in March 2015, the SmartCentres group reported to Calloway as to which parties were willing to participate in the negotiation of the sale or lease of the Other JV Properties and Calloway and the SmartCentres group commenced negotiations of the Other JV Property Agreements with the third party co-owners in conjunction with the negotiations with PPI. One such co-owner decided not to sell their interest.

In the aggregate, the Special Committee met formally 21 times and both the chair of the Special Committee and the Special Committee as a whole held numerous additional conference calls and discussions with management, KPMG, Cushman and advisors. The Special Committee provided updates to the other independent Trustee from time to time and such Trustee participated as an observer at certain Special Committee meetings.

On April 16, 2015, the Special Committee received the final reports from Cushman and KPMG.

On April 16, 2015, CIBC provided the Special Committee with a presentation and financial analysis of the Acquisition and an oral opinion, which was subsequently confirmed in writing, to the effect that, as of April 16, 2015, based upon and subject to the assumptions, limitations and qualifications contained therein, the Acquisition Consideration is fair, from a financial point of view, to Calloway.

On April 16, 2015 the Special Committee determined the Acquisition was fair to Public Unitholders and in the best interests of Calloway and accordingly recommended that the Board approve the Acquisition and recommend to Public Unitholders to vote in favour of approving the Acquisition.

The Board, except Messrs. Goldhar and Forde, the appointees of the Goldhar Entities, who recused themselves from attending the meeting of the Board, considered the report and recommendations of the Special Committee as well as the Fairness Opinion, the Valuation, the Appraisal and the advice of legal counsel, financial advisors and management. The Board approved the Acquisition as fair to the Public Unitholders and as being in the

best interests of Calloway, called the Meeting and recommended that the Public Unitholders vote in favour of the Acquisition and the related amendments to the Declaration of Trust at such meeting.

Recommendation of the Special Committee

On April 16, 2015, after consulting with its legal and financial advisors and considering the Valuation and the Fairness Opinion in respect of the Acquisition, the Special Committee determined unanimously that the Acquisition is fair to and in the best interests of Calloway and the Public Unitholders, and unanimously recommended that the Board approve the Acquisition and the related amendments to the Declaration of Trust and recommend that the Public Unitholders vote in favour of the Acquisition and the related amendments to the Declaration of Trust. In arriving at its conclusions and recommendations, the Special Committee reviewed and weighed all material aspects of the Acquisition, including the financial and legal implications of the Acquisition, the expected benefits to Calloway and the Public Unitholders, and the risks described under the heading “Risk Factors – Risks Related to the Acquisition” in this prospectus supplement.

The conclusions and recommendations of the Special Committee were reached after considering the following, among other things:

- (a) the appraisal by Cushman, which concluded that the Acquisition Consideration is within the range of fair market values of the Acquisition Properties;
- (b) the Valuation by KPMG, which concluded that the fair market value of consideration to be paid by Calloway in respect of the Acquisition is within the range of fair market values of the Acquisition Properties and Platform Subject Assets;
- (c) the advice and the Fairness Opinion of CIBC;
- (d) the advice of Torys LLP and Osler, Hoskin & Harcourt LLP;
- (e) management’s view and analysis that the Acquisition will be accretive to Calloway’s FFO per Unit and AFFO per Unit, excluding one-time transaction and integration costs, (and CIBC’s advice thereon) and Calloway will be able to maintain its current distribution level following the Acquisition;
- (f) the terms of the Transaction Agreements and related agreements;
- (g) the geographic location, quality of tenants, occupancy rates and average age of the Acquisition Properties;
- (h) the Acquisition extends Calloway’s existing average lease term and maintains its average term to debt maturity;
- (i) it is anticipated that the Acquisition will strengthen income and distribution stability and reduce Calloway’s cost of capital;
- (j) the anticipated value to be obtained from the development portion of the properties to be acquired for Calloway’s account as part of the Acquisition, the enhanced strategic relationship with WCRI and the long-term potential growth opportunities provided by having the capability to directly develop properties for Calloway’s own account and through joint venture co-ownership;
- (k) the reputation and long and successful development track record of the Platform Subject Assets and personnel, including the MG Entities’ 20 year relationship with WCRI;
- (l) the Acquisition enables Calloway to become a fully integrated real estate entity with best-in-class development, construction project management, leasing and operations capability that is expected to be a catalyst to Calloway’s growth prospects and reduce the disparity in its trading multiple relative to its peers;

- (m) the fact that Calloway will have much greater control of its portfolio and operations (such as allowing Calloway to control timelines for the development of properties held for its own account) as a result of the Platform Acquisition; and
- (n) the Transaction Resolution will be subject to approval by the affirmative vote of a majority of votes cast by the Public Unitholders present in person or represented by proxy at the Meeting.

The Special Committee also considered the following factors:

- (a) the capitalization rates represented by the purchase price, relative to other large portfolio acquisitions and development yields anticipated on future development opportunities, which in part make the Acquisition attractive, while acknowledging that future development activities are not contracted and must be earned and generally are subject to market and interest rate movements that could affect anticipated profitability and future valuations;
- (b) discussions that management undertook with WCRI about WCRI's relationship with the SCMI platform, its management, and related parties thereof, and management's views on the future development opportunities between WCRI and Calloway as owner of the Platform Subject Assets; however, recognizing, as was the case in the relationship between WCRI and the Goldhar Entities, that the entry into each project by WCRI is at WCRI's discretion and will be determined by the needs of WCRI, the merits of each development and the performance of the platform;
- (c) increased exposure to Walmart as a tenant, which provides stable income but also increases the proportion of non-escalating rental income over time;
- (d) the extension of voting and investor rights granted to the MG Entities in connection with the Acquisition which engages Mr. Goldhar as the Chair of the Board and as strategic advisor also extends the Voting Top-Up Right which could potentially hinder or otherwise dissuade take-over or merger proposals for Calloway, unless such a proposal is supported by the MG Entities (see "Amendments to the Declaration of Trust); and
- (e) the rights of the MG Entities in relation to Board and Unitholder decisions and access to management and which provide the Board and management with the strategic advice of one of Canada's most successful retail developers, but may create an appearance of conflict.

The foregoing discussion of the information and factors reviewed by the Special Committee is not, and is not intended to be, exhaustive. In view of the wide variety of factors considered by the Special Committee, the Special Committee did not find it practicable to, and therefore did not, quantify or otherwise assign relative weight to specific factors in making its determination. The conclusions and recommendations of the Special Committee were made after consideration of all of the above-noted factors in light of the collective knowledge of the members thereof of the operations, financial condition and prospects of Calloway and was also based upon the advice of its advisors.

Recommendation of the Board of Trustees of Calloway

The Special Committee advised the other Trustees (other than Messrs. Goldhar and Forde, the SmartCentres group appointed Trustees) of its deliberations from time to time during the negotiations and such Trustees participated as observers at certain Special Committee meetings.

On April 16, 2015, at a meeting of the Board held immediately after the meeting of the Special Committee unanimously recommending the approval of the Acquisition, the Trustees considered the recommendation of the Special Committee, the Valuation and the Fairness Opinion. Following further discussion, and based on the Special Committee's recommendation and the factors referred to above, the Trustees resolved (with Messrs. Goldhar and Forde, the SmartCentres group appointed Trustees, recusing themselves from the meeting at which the vote took place): (i) that the Acquisition is fair to the Public Unitholders and is in the best interests of Calloway; (ii) to authorize the execution of such agreements as are necessary to complete the Acquisition; and (iii) to recommend that the Public Unitholders vote in favour of the Acquisition by approving the Transaction Resolution and the

Amendment Resolutions at the Meeting.

The foregoing discussion of the information and factors reviewed by the Board is not, and is not intended to be, exhaustive. In view of the wide variety of factors considered by the Board, the Board did not find it practicable to, and therefore did not, quantify or otherwise assign relative weight to specific factors in making its determination. The conclusions and recommendations of the Board were made after consideration of all of the above-noted factors in light of the collective knowledge of the members thereof of the operations, financial condition and prospects of Calloway and was also based upon the advice of its advisors. Unitholders should consider the Acquisition carefully and come to their own conclusion as to whether or not to vote in favour of the Transaction Resolution and the Amendment Resolutions.

Valuation Requirements

The Acquisition constitutes a “related party transaction” under MI 61-101. However, neither the fair market value of the assets acquired from related parties of Calloway nor the fair market value of the consideration payable by Calloway to related parties exceeds 25% of Calloway’s market capitalization (as defined in MI 61-101) and therefore Calloway is not required to obtain a formal valuation under MI 61-101. Nonetheless, the Special Committee determined it was appropriate to obtain formal valuations of the Acquisition Properties and Platform Subject Assets by an independent qualified valuator in a manner compliant with the formal valuation requirements contemplated under MI 61-101. The related parties (i.e. the Goldhar Entities) have advised Calloway that they do not have any knowledge of material information concerning Calloway or its securities that is not generally disclosed.

The Special Committee retained Cushman to appraise the Acquisition Properties and KPMG to provide a formal valuation of the Acquisition Properties and the Platform Subject Assets, and in doing so, permitted KPMG to rely on the appraisal provided by Cushman after independently assessing and reviewing the reasonableness of the appraisal and the scope of review so as to conclude they could reasonably rely thereon.

Valuation

The Special Committee approved the engagement of KPMG to prepare the formal valuation of the Acquisition Properties and the Platform Subject Assets (the “**Valuation**”). In retaining KPMG, the Special Committee, based in part on representations made to it by KPMG, concluded that KPMG was independent and qualified to provide the Valuation. KPMG and Calloway entered into an engagement letter dated December 19, 2014 to reflect the formal terms of KPMG’s engagement to prepare the Valuation. Pursuant to the terms of such engagement letter, the Special Committee agreed that Calloway will pay KPMG a fee based on fixed rates and such fee is not contingent upon the valuation of the Acquisition Properties and the Platform Subject Assets or the outcome of the Acquisition.

Credentials of KPMG

KPMG is one of the world’s largest professional services firms, offering a broad range of services. KPMG’s valuation professionals have significant experience in valuing a broad range of companies for various purposes, including securities law compliance, fairness opinions, solvency opinions, mergers and acquisitions, corporate income tax purposes, and litigation matters, amongst other things. The valuation opinion expressed herein is the opinion of KPMG as a firm and the form and content herein have been approved for release by a committee, each of whom is a member of the Canadian Institute of Chartered Business Valuators and experienced in merger, acquisition, divestiture and valuation matters.

Independence of KPMG

Neither KPMG, nor any of its affiliated entities (as such term is defined for purposes of MI 61-101) is an insider, associated entity or affiliated entity (as those terms are defined in MI 61-101) of an Interested Party. KPMG is not acting as an advisor to any Interested Party in connection with the Acquisition other than acting as advisor to the Special Committee in the preparation and delivery of the Valuation. During the 24 months before KPMG was first contacted for the purpose of the Valuation, neither KPMG nor any of its affiliates had a material financial interest in a transaction involving an Interested Party, other than with respect to the provision of incidental professional services from time to time on a fee-for-services basis, on customary terms for customary fees, including

such services to Calloway for accounting-related matters.

Neither KPMG nor any of its affiliates has a material financial interest in the completion of the Acquisition or a material financial interest in future business under an arrangement, commitment or understanding involving Calloway or any other Interested Parties. The fees paid to KPMG in connection with the Valuation are not financially material to KPMG, and do not give KPMG any financial incentive in respect of the conclusions reached in the Valuation. KPMG may in the future, in the ordinary course of its business, perform financial advisory or tax services for Calloway or any other Interested Parties.

KPMG represented to the Special Committee that it is an “independent valuator” (as such term is used in MI 61-101).

Definition of Fair Market Value

For the purpose of the Valuation and pursuant to MI 61-101, KPMG defined fair market value as the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, acting at arm’s length with the other and under no compulsion to act.

The definition of market value used by Cushman in its appraisal of the Acquisition Properties (the “**Appraisal**”) is generally consistent with the definition of fair market value as set out above pursuant to MI 61-101. See “The Acquisition – Cushman Appraisal” for a definition of market value used by Cushman.

Valuation Approach

The Valuation is based upon methodologies and assumptions that KPMG considered appropriate in the circumstances for the purposes of arriving at an opinion as to the fair market value of the Platform Subject Assets and the Acquisition Properties.

Platform Subject Assets

The fair market value of the Platform Subject Assets was determined using an income approach; specifically, a discounted cash flow approach. Under the discounted cash flow approach, the value of a business is determined by the projected cash flows converted into a fair market value equivalent through a present value calculation. The present value calculation uses a discount rate, which reflects the relevant risk associated with the cash flows and the time value of money.

Projected Cash Flows

The projected cash flows are based on projections grouped into the following two streams: (i) projected development profits, and (ii) projected fees and expenses.

Projected Development Profits: The projected development profits represent the cash flows which are expected to be realized by the Platform Subject Assets on future development projects. The projected development profits are developed based on projected cash flows to owner (i.e., equity holder) including assumed sale proceeds by format, as set out below:

- In developing cash flows to owner, Calloway based its assumptions on *pro forma* cash flows by format as provided by the Goldhar Entities. The *pro forma* cash flows represent the Goldhar Entities’ best estimate of cash flows to owner based on historical developments timelines, land and construction costs, and net operating income (“**NOI**”) by format. Future projects are not under contract but are based on the Goldhar Entities’ historical experience as to the volume of developments managed through the SCMI platform. In addition, debt financing was also reflected in the cash flows to owner. Calloway and KPMG have together reviewed and adjusted where appropriate the cash flows by project and concluded that they are reasonable and supportable as at the Valuation Date; and
- It is Calloway’s intention to develop and retain projects. However, in determining the fair market value of a property developer, KPMG determined it was most appropriate to estimate the development profit by

assuming a sale of the property once it is complete. The completion date assumed for this purpose was based on the timing under which Calloway would reasonably expect to complete the project. The quantum of the sale proceeds was based on the then projected NOI and a capitalization rate as determined by Calloway. KPMG reviewed the capitalization rates utilized by Calloway and considered current market conditions as well as implied spreads between the selected capitalization rates and the development yields determined below. Projected debt outstanding as at completion date was then deducted from the sale proceeds to arrive at the cash margin.

KPMG then converted the above cash flows to a present value using a discount rate of 20%, which KPMG determined as an appropriate discount rate. Further, Calloway advised that it intends to seek development joint venture co-owners for many of these projects. As such, only Calloway's proportionate interest (assuming the consummation of the Acquisition) in the present value of the cash flows was included in the valuation of the Platform Subject Assets. Calloway estimated its retained ownership percentage per project based on the Goldhar Entities' historical joint venture agreements with its development partners. Accordingly, Calloway estimated a retained ownership percentage in the range of 25% to 50% depending on development format and potential joint venture partnering. Calloway and KPMG together reviewed the retained ownership percentages and concluded that the retained ownership percentages are reasonable and supportable as at the Valuation Date.

The quantum of projects by format used in determining total projected development profits was based on the Goldhar Entities' current project pipeline, discussions with SCMI and Calloway, and a review of the history of the SCMI platform's projects in terms of scale and number. On this basis, Calloway estimated the number of projects by format for a period of ten years, at which time the SCMI platform was assumed to operate at a steady state. The formats considered by Calloway are grouped as follows:

- (a) identified development projects, and
- (b) unidentified development projects.

“**Identified**” for the purposes of this section means that a city or an area of a city has been identified as a possible location.

Calloway recognizes that there are significant uncertainties which exist in regards to the economics of future development projects that may affect the type of formats, scale of formats, and the number of each format developed in the future. Calloway adjusted for these uncertainties by applying a factor in the range of 40% to 80% where appropriate. Calloway and KPMG together reviewed the uncertainty factors and concluded that the uncertainty factors are reasonable and supportable as at the Valuation Date.

In order to assess the reasonability of the projected sale proceeds included in the projected development profits, KPMG reviewed and discussed the assumed future capitalization rates with Calloway in light of the development yields implicit in the Goldhar Entities' models provided. Calloway advised KPMG that none of it, the Goldhar Entities nor any other developers would commence development of a project unless the project implied an adequate spread between the expected exit capitalization rate and the development yield at the commencement date. If a project does not imply an adequate spread, Calloway would either explore opportunities to increase the development yield or forego the development project in question. On this basis, Calloway made an assumption that the capitalization rate on each of the formats would reflect an adequate spread. KPMG found that Calloway's assumption of capitalization rates used to calculate projected sale proceeds was reasonable and supportable.

Projected Fees and Expenses: Projected fees and expenses include the fee revenue and overhead expenses related to project development, other development management, leasing and other consulting services provided by the SCMI platform.

Calloway based its forecast on the Goldhar Entities' latest four-year operating forecast, which reflects its best estimate of fee revenue and overhead cost as they relate to its current development pipeline. Calloway made adjustments to the operating budget to match the assumptions used in developing the projected development profits and extended the forecast by six additional periods to generate a ten-year forecast. Calloway assumed varying growth rates on different revenues and expenses, based on its expectation of long-term growth. KPMG reviewed and examined the projections and concluded that they were reasonable.

Based on the forgoing assumptions, KPMG determined the net present value of the Platform Subject Assets to be as follows:

NPV Today of Platform											
(000's)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Terminal Period
Identified development projects	-	5,191	7,670	3,645	-	-	-	-	-	-	-
Unidentified development projects	4,069	3,676	3,540	4,717	4,371	3,714	3,157	2,683	2,280	1,938	
Present value of development profit by Start Year	4,069	8,867	11,209	8,362	4,371	3,714	3,157	2,683	2,280	1,938	10,984
Present value of fees and expenses by Year	323	2,688	3,214	217	922	630	(1,334)	(1,208)	(1,295)	(1,060)	(7,979)
NPV of Platform	57,000										

Discount Rate

The discount rate should represent the cost of equity for Calloway and its operation of the SCMI platform and fully reflect the risk associated with achieving the projected cash flows. KPMG determined the appropriate discount rate for the Platform Subject Assets to be 20%. In developing the discount rate, KPMG considered the following:

- Rates of return for commercial real estate investment trusts based on market data and traditional finance theory, as well as yields on AFFO, both adjusted to account for the additional risk associated with a developer business;
- Rates of return implied by the capitalization rate assumptions used in developing the projected development profits, adjusted to account for the additional risk of uncertainty related to the timing and quantum of the profits;
- Rates of returns typically marketed by developer funds based on KPMG's experience;
- The SCMI platform has enjoyed a long relationship with WCRI which has translated into a significant part of its historical success. The key principal, Mitchell Goldhar, has been an instrumental part of SCMI platform's relationship with WCRI and its affiliates. Mr. Goldhar will continue to be, directly or indirectly, Calloway's most significant securityholder upon Acquisition Closing. Mr. Goldhar is currently a Trustee and will become the Chair of the Board and a strategic advisor and an observer on the management Real Estate Committee. Nonetheless, there is no guarantee as to the degree and longevity of his future involvement with Calloway and the SCMI platform and the transferability of this relationship to Calloway. The framework agreement between Calloway and WCRI has been agreed to be entered into on similar terms to the existing framework agreement between SCMI and WCRI;
- The recent closure of Target's Canadian operations creates near term uncertainty with development partners and tenants, notably WCRI and its affiliates. Development partners and/or potential tenants may choose to acquire and retrofit the existing Target commercial retail space as opposed to engage in the development of new properties in the near term;
- Calloway's factoring over the number and scale of future development projects is judgmental. Any deviations from these assumptions may result in changes in the projected cash flows of the Platform Subject Assets; and
- The determination of capitalization rates and the resulting implied development spreads on future projects are subject to external market forces and industry dynamics, which are beyond the control of the SCMI platform and Calloway. These unexpected changes may significantly impact the projected cash flows of the Platform Subject Assets.

Long-Term Growth Rate

The expected long-term average growth rates were individually determined by Calloway for each stream of forecasted revenues and expenses. The basis of the long-term average growth rates were Calloway's expectation of

general industry trends and economic expectations. KPMG noted that a long-term nominal growth rate in the range of 1% to 3% per annum is reasonable in light of the Platform Subject Asset's business environment. Based on the foregoing assumptions, KPMG calculated the terminal value for each of the Platform Subject Asset's revenues and expense streams.

Fair Market Value of the Platform Subject Assets

KPMG has determined the fair market value of the Platform Subject Assets to be in the range of \$51.3 million to \$62.7 million, with a midpoint of \$57.0 million as at the Valuation Date.

Acquisition Properties

Cushman performed the Appraisal, which estimates the as-is value of the Acquisition Properties as at March 31, 2015 on a 100% asset-by-asset basis. The as-is value of the Acquisition Properties on a 100% asset-by-asset basis as determined by Cushman may include property interests that Calloway already owns and/or property interests that Calloway is not acquiring as part of the Acquisition. KPMG further analyzed the value of the Acquisition Properties on a "proportionate basis" reflecting, separately, the percentage of the Acquisition Properties that Calloway is acquiring from all vendors (including the SmartCentres Vendors) and the percentage being acquired from the SmartCentres Vendors specifically, which analysis is summarized below.

KPMG relied on the Appraisal for purposes of the Valuation. Prior to such reliance, KPMG performed specific procedures to assess the appropriateness of the valuation methodologies utilized and the supportability of specific assumptions made by Cushman in estimating the market value of the Acquisition Properties. See "The Acquisition – Cushman Appraisal" for a summary of the Appraisal.

Procedures Performed by KPMG in relation to the Cushman Appraisal

Prior to relying on Cushman's appraisal of the Acquisition Properties, KPMG performed the following:

- Reviewed and discussed each appraisal with Cushman to gain an understanding of the methodology adopted, the supporting documentation gathered, and the analysis performed by Cushman.
- For each appraisal, assessed the valuation methodologies selected by Cushman. KPMG determined that the selected valuation methodologies were appropriate.
- On a sample basis, tested the mechanical accuracy of Cushman's valuation of the properties using a capitalized NOI approach and discounted cash flow approach. No discrepancies were noted. The cash flow projections and discounted cash flow valuations were prepared by Cushman using ARGUS® software, a software program widely used in the real estate industry.
- Discussed the stabilization of NOI and cash flow projection process with Cushman. Cushman prepared the stabilized NOI and cash flow projections based on 2015 budgets, a review of the existing rent rolls and sample leases, and independent market analysis of comparable properties in order to determine the stabilized and long term income potential of the subject properties. KPMG did not review the underlying data supporting the cash flows but noted that Cushman appropriately considered market assumptions in their analysis. Moreover, in the assessment of Excess Land, construction costs and developers profit were also appropriately considered. KPMG assessed the supportability of the selected OCRs for the IPP, discount rates for the Excess Land and implied price per acre on a property-by-property basis by performing the following:
 - On a sample basis, reviewed the transactional data considered by Cushman in developing the Benchmark OCR retail asset grid and recent comparable sales information as set out in the Appraisal;
 - Reviewed the adjustments made by Cushman to the Benchmark OCRs. Specifically, KPMG performed the following procedures: (a) reviewed Cushman's benchmark capitalization rate comparison analysis; (b) considered the property-by-property qualitative factors relative to the

benchmark rating analysis as set out in the Appraisal; (c) held discussions with Cushman to gain additional insight or rationale for the selected adjustments, particularly the adjustments relating to NOI growth and tenant profile; and (d) considered the general property-by-property consistency in the selected adjustments;

- Performed various sensitivity analyses around certain key assumptions as they pertained to the Acquisition Properties; and
- Reviewed the weighted average of the selected OCRs for the IPP on a stratified portfolio basis (by asset class as categorized by Cushman) and considered the internal consistency of the weighted average rates by asset class. KPMG also considered the OCRs published in public market data, the implied OCRs in comparable market transactions and its own experience.

Based on the procedures performed, KPMG determined that Cushman’s valuation methodologies were appropriate and the selected valuation assumptions were supportable and reasonable as at the Valuation Date.

Valuation Conclusion

Based on the scope of KPMG’s review and subject to the assumptions and restrictions as noted in its report, KPMG determined the fair market value of the Platform Subject Assets and the Acquisition Properties as at the Valuation Date, which are set out in the table below, together with a summary of the Acquisition Properties on a “proportionate basis” reflecting the percentage of the Acquisition Properties that Calloway is acquiring as part of the Acquisition from all vendors (including the SmartCentres Vendors):

Formal Valuation Conclusion						
(\$000's)	100% Basis			Proportionate Interest		
	Low	Mid	High	Low	Mid	High
Fair market value of the Platform	51,300	57,000	62,700	51,300	57,000	62,700
Fair market value of the Real Estate	1,390,380	1,427,150	1,463,920	1,063,906	1,093,006	1,122,106
Total Platform and Real Estate	1,441,680	1,484,150	1,526,620	1,115,206	1,150,006	1,184,806

The table below summarizes the fair market value of the portion of the Acquisition Properties that is being acquired by Calloway from the SmartCentres Vendors specifically.

Fair Market Value of the Real Estate - Interest acquired from SmartCentres Vendors			
(\$000's)	Low	Mid	High
IPP	505,838	517,136	528,433
Excess Land	65,568	69,076	72,584
Total	571,406	586,212	601,017

Parties receiving the type of information set out in the Valuation are cautioned that a summary or reproduction in part may distort the findings of the Valuation and are advised to read the entire Valuation. The Valuation has been filed with the Canadian securities regulatory authorities at www.sedar.com. Caution should be exercised in the evaluation and use of the Valuation. A valuation is an estimate of market value. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the comparable market for such assets. The Valuation is based on various assumptions of future expectations including management forecasts and while the forecasts of income for the Acquisition Properties and cash flow for the Platform Subject Assets used are considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

The full text of the Valuation describes the assumptions made, procedures followed, matters considered and limitations and qualifications on the review in connection with the Valuation. The Valuation does not constitute a recommendation of KPMG to any Unitholder as to how such Unitholder should vote or act with respect to any matters relating to the Acquisition. The Valuation is one of a number of factors taken into consideration by the Special Committee and the Board in making their unanimous determinations to recommend that the Public Unitholders vote in favour of the Acquisition at the Meeting.

Cushman Appraisal

The Special Committee approved the engagement of Cushman to perform the Appraisal. In retaining Cushman, the Special Committee, based in part on representations made to it by Cushman, concluded that Cushman was independent and qualified to provide the Appraisal. Cushman and the Special Committee entered into an engagement letter dated January 6, 2015 to reflect the formal terms of Cushman's engagement to prepare the Appraisal. Pursuant to the terms of such engagement letter, the Special Committee agreed that Calloway will pay Cushman a fixed fee, exclusive of expenses, disbursements and taxes.

Credentials of Cushman

Cushman is one of the largest commercial real estate service firms in North America, offering a broad range of services including leasing, sales and acquisitions, debt and equity financing, investment banking, project management and appraisal services. The Appraisal is the opinion of Cushman as a firm and was prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (the "**Appraisal Standards**").

Independence of Cushman

Neither Cushman, nor any of its affiliated entities (as such term is defined for purposes of MI 61-101) is an insider, associated entity or affiliated entity (as those terms are defined in MI 61-101) of the Interested Parties. Cushman is not acting as an advisor to any Interested Party in connection with the Acquisition other than acting as advisor to the Special Committee in the preparation and delivery of the Appraisal. During the 24 months before Cushman was first contacted for the purpose of the Appraisal, neither Cushman nor any of its affiliates had a material financial interest in a transaction involving an Interested Party, other than with respect to the provision of incidental professional services from time to time on a fee-for-services basis, on customary terms for customary fees, including such services to Calloway for real estate valuation-related matters.

Neither Cushman nor any of its affiliates has a material financial interest in the completion of the Acquisition or a material financial interest in future business under an arrangement, commitment or understanding involving Calloway or any other Interested Parties. The fees paid to Cushman in connection with the Appraisal are not financially material to Cushman, and do not give Cushman any financial incentive in respect of the conclusions reached in the Appraisal. Cushman may in the future, in the ordinary course of its business, perform real estate advisory services for Calloway or any other Interested Parties

Cushman represented to the Special Committee that it is an "independent valuator" (as such term is used in MI 61-101).

Summary of the Appraisal

This summary is not a complete description of the conclusions set out in, or the analyses, assumptions and other factors underlying the conclusions of, the Appraisal.

For the purposes of the Appraisal, Cushman used the definition of "market value" used in the Appraisal Standards, which is as follows:

The most probable price that a property should bring in a competitive and open market as of the specified date under all conditions to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale transaction as of the specified date and the passing of title from the seller to the buyer under conditions whereby:

- buyer and seller are typically motivated;
- both parties are well informed and well advised, and acting in what they consider to be their best interests;
- a reasonable amount of time is allowed for exposure in the open market;

- payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto;
- the price appropriately reflects the impact of fractional or minority interests, ownership rights, restrictions on ownership, etc. on market value; and
- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Valuation Methodology – The Income Producing Retail Properties

The fair market value of the income producing properties (“**IPP**”), a subset of the Acquisition Properties, was determined by Cushman using an income approach, which estimates the market value of each property on the basis of the income that it is expected to produce. Under the income approach, there are a number of acceptable techniques that may be used including:

- discounted cash flow approach;
- capitalized NOI approach, which involves dividing a subject property’s stabilized NOI by an appropriate capitalization rate; and
- sales comparison approach which involves reviewing the implied capitalization rates or price/unit of measurement from the appraised property to recent comparable market transactions.

Cushman estimated the fair market value of the IPP primarily using a capitalized NOI approach, supported by a discounted cash flow methodology. Further, the utilization of rates implied from recent comparable market transactions as an input to the capitalized NOI and discounted cash flow approaches were also considered.

Valuation Methodology – The Excess Land

The fair market value of the undeveloped parcels of land (“**Excess Land**”) located adjacent to certain of the income producing properties, all of which form part of the Acquisition Properties, was based on: (i) an income approach, specifically, a land residual approach; and (ii) a direct comparison approach. Both approaches are further described below.

Residual Land Value: This methodology was based on a proposed development of the land, where the costs of construction and development were considered in the determination of fair market value. Cushman applied both a capitalized NOI approach (based on a stabilized NOI, adjusted for the present value of the construction costs and notional lease up) and a discounted cash flow approach.

Direct Comparison: This methodology involved deriving value for the subject land by comparing similar parcels of land that recently sold based on a relevant unit of comparison (e.g., price per acre of site area) and making adjustments to the sale price or unit of measure of the comparable land based on market-derived elements of comparison. Specifically, Cushman performed the following steps: (i) surveyed the area to locate comparable parcels of land that sold or were active listings, which were consistent with the “highest and best use”; (ii) analyzed the comparable market transactions relative to the subject land, making any necessary adjustments for differences primarily with respect to changes in market conditions from the date of the transaction to the Valuation Date, location, financing terms, scale, planning status, development timing and site character; and (iii) reconciled the data to arrive at an adjusted value per acre appropriate for the Excess Land.

Capitalization Rates for Income Producing Properties

In determining an overall capitalization rate (“**OCR**”) to apply to each retail IPP, Cushman reviewed recent market transactions for comparable properties and capitalization rate trends across Canada to develop a benchmark capitalization rate grid (“**Benchmark OCR**”) for retail assets based on asset quality.

Specifically, in developing the Benchmark OCR, Cushman analyzed each transaction in consideration of the

following:

- the property type and the physical condition and functional characteristics of each asset;
- the locational features influenced by both macro and micro conditions; and
- the income characteristics, specifically, the income security, tenant covenant and potential NOI growth.

Based on the above, Cushman developed the following Benchmark OCR grid for retail assets:

Benchmark Ranking Guide			
Classification	Cap Rate Range	Description	Location
AAA	4.75% to 5.25%	- Brand new freehold facility with potential expansion capabilities; - Located in major urban centre in a prime location; - Long term lease (15+ yrs); and, - Performance well above the company average.	Vancouver/Toronto
AA	5.25% to 5.75%	- Newer functional facility with further site densification feasible; - Located in a major urban centre; - Long term lease with reasonable growth; and, - Asset performance above the company average.	Major urban centers: Calgary, Ottawa, Montreal, Edmonton, other locations where population >500,000
A	5.75% to 6.25%	- Modern functional facility; - Located in larger urban centre with reasonable population growth; - Long term lease with some growth; and, - Asset performance considered within the average to good range.	Other larger urban markets: Regina, Halifax, other suburban locations where population 300,000
B	6.25% to 7.25%	- Functional asset; - Located in a smaller urban centre; - Long term lease with nominal growth; and, - Asset performance within a range of corporate average.	Smaller urban markets (Moncton, Kingston, Red Deer, Kelowna)
C	7.25%+	- Functional facility located in a tertiary market; - Lease term considered in order of 10 years; and, - Store performance below the corporate average.	Stagnant or declining tertiary market (population 50,000 people)

In determining the appropriate OCRs for each IPP, Cushman started with the Benchmark OCRs consistent with the attributes of the subject property and applied specific adjustments on a property-by-property basis in consideration of the characteristics of each property (“**Property Adjustments**”). The Property Adjustments made to the Benchmark OCRs were selected to reflect specific property attributes across five general categories as summarized below:

Cushman Benchmark OCR Adjustments		
Investment Characteristics	Adjustment	
	Low	High
Ownership	0.00%	0.00%
Physical	-0.25%	0.50%
Market	-0.25%	1.00%
Tenant	-0.375%	0.50%
NOI	-0.375%	0.375%
Total	-0.75%	0.75%

The resulting property specific OCRs were then assessed by Cushman for reasonableness based on the implied rates in recent comparable market transactions and OCRs published in public market survey data.

The OCRs and discount rates utilized for the Excess Land were selected based on a consideration of the analysis of the rate on the adjacent IPP and in consideration of supply and demand characteristics of the various markets on an asset by asset basis.

Cushman's Estimate of the Market Value of the Acquisition Properties

Based on the above methodologies and as summarized below, Cushman estimated the fair market value of the Acquisition Properties on a 100% basis to be in the range of \$1.39 billion to \$1.46 billion, or \$1.43 billion at the midpoint.

This was based on a fair market value of the IPP on a 100% basis in the range of \$1.21 billion to \$1.27 billion, or \$1.24 billion at midpoint and a fair market value of the Excess Land on a 100% basis in the range of \$0.18 billion to \$0.2 billion, or \$0.19 billion at the midpoint.

On a "proportional basis", reflecting the percentage of the Acquisition Properties that Calloway is acquiring as part of the Acquisition from all vendors, as of March 31, 2015, the fair market value of the IPP was in the range of \$0.89 billion to \$0.93 billion, or \$0.91 billion at the midpoint and the fair market value of the Excess Land was in the range of \$0.17 billion to \$0.19 billion, or \$0.18 billion at the midpoint.

Cushman Fair Market Value Summary						
(\$000's)	100% Basis			Proportionate Interest		
	Low	Mid	High	Low	Mid	High
IPP	1,214,050	1,241,365	1,268,680	892,540	912,459	932,378
Excess Land	176,330	185,785	195,240	171,366	180,547	189,728
Total	1,390,380	1,427,150	1,463,920	1,063,906	1,093,006	1,122,106

Caution should be exercised in the evaluation and use of the summary of the Appraisal. An appraisal is an estimate of market value. It is not a precise measure of value but is based on a subjective comparison of related activity which has taken place in the comparable market for such assets. The Appraisal is based on various assumptions of future expectations including management forecasts and while the forecasts of income for the Acquisition Properties used are considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

The foregoing is a summary of the Appraisal and Unitholders are hereby cautioned that such summary may distort the findings of the Appraisal. The Appraisal has been filed with the Canadian securities regulatory authorities at www.sedar.com. The Appraisal does not constitute a recommendation of Cushman to any Unitholder as to how such Unitholder should vote or act with respect to any matters relating to the Acquisition. The Appraisal is one of a number of factors taken into consideration by the Special Committee and the Board in making their unanimous determinations to recommend that the Public Unitholders vote in favour of the Acquisition at the Meeting.

Prior Valuations

There are no "prior valuations" (as defined under MI 61-101) in respect of Calloway that relate to the subject matter of or are otherwise relevant to the Acquisition, including with respect to the Acquisition Properties (other than certain properties jointly held by Calloway and the Goldhar Entities) and the Platform Subject Assets, that have been made in the 24 months before April 20, 2015 and the existence of which is known, after reasonable inquiry, to Calloway or to any Trustee or senior officer of Calloway.

Fairness Opinion

The Special Committee approved the engagement of CIBC as a financial advisor to Calloway and the Special Committee to provide financial advisory services in respect of the Acquisition, including to evaluate the Acquisition and to provide the Fairness Opinion. CIBC and Calloway entered into the CIBC Engagement Letter to reflect the formal terms of engagement of CIBC to act as the financial advisor, including evaluating the Acquisition and providing the Fairness Opinion.

Relationship of CIBC with the Interested Parties

Neither CIBC, nor any of its affiliated entities (as such term is defined for purposes of MI 61-101) is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of any “interested party” involved in the Acquisition. CIBC is not acting as financial advisor to any “interested party” in connection with the Acquisition, other than acting as financial advisor to the Special Committee and to Calloway.

CIBC has not been engaged to provide any financial advisory services with respect to the Acquisition, other than pursuant to the CIBC Engagement Letter.

CIBC and its affiliates, in the normal course, provide Calloway with investment banking and corporate banking services. CIBC may act for Calloway as a manager of a soliciting dealer group formed in connection with the Acquisition and will be acting as a bookrunner for Calloway on the bought deal offering of Subscription Receipts to be undertaken by Calloway to finance the Acquisition. See “The Acquisition – Financing the Acquisition”.

Canadian Imperial Bank of Commerce, an affiliate of CIBC, is co-lead arranger and joint bookrunner of the lending syndicate that has made credit facilities available to Calloway in the past, and it is expected that such credit facilities may be utilized to finance a portion of the Acquisition Consideration.

Fairness Opinion

Based upon and subject to the assumptions, limitations and qualifications set forth therein, CIBC is of the opinion that, as at April 16, 2015, the Acquisition Consideration is fair, from a financial point of view, to Calloway.

Pursuant to the terms of the CIBC Engagement Letter, Calloway agreed to pay CIBC a fee (which is contingent on the completion of the Acquisition) as compensation for the financial advisory services rendered by CIBC in respect of the Acquisition, which fee is payable at Acquisition Closing. Pursuant to the terms of the CIBC Engagement Letter, Calloway also agreed to pay a fee to CIBC (which is not contingent on the completion of the Acquisition) as compensation for providing the Fairness Opinion, which was fully paid upon delivery of the Fairness Opinion to the Special Committee. Calloway has agreed to indemnify CIBC against certain liabilities.

The full text of the Fairness Opinion describes the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion. The summary of the Fairness Opinion in this prospectus supplement is qualified in its entirety by reference to the full text of the Fairness Opinion. The Fairness Opinion has been filed with the Canadian securities regulatory authorities at www.sedar.com. The Fairness Opinion was one of a number of factors taken into consideration by the Special Committee and the Board in making their unanimous determinations to recommend that the Public Unitholders vote in favour of the Acquisition at the Meeting. The Board urges prospective investors to read the Fairness Opinion in its entirety.

The Fairness Opinion is directed only to the fairness, from a financial point of view, of the Acquisition Consideration. The Fairness Opinion does not address the relative merits of the Acquisition as compared to other business strategies or transactions that might be available to Calloway or the underlying business decision of Calloway to effect the Acquisition. The Fairness Opinion does not constitute a recommendation by CIBC to any Public Unitholder as to how such Public Unitholder should vote or act with respect to any matters relating to the Acquisition.

Financing the Acquisition

Offering of Subscription Receipts

As discussed herein, Calloway intends to partially finance the cash component of the purchase price of the Acquisition and acquisition costs through the Offering. The balance of any cash payable, estimated to be up to \$164.1 million, subject to closing adjustments contemplated by the Transaction Agreements and the right of PPI, SCRI and SCMI to elect to receive up to 10% of the Elected Amount in cash in lieu of such Class B Units, will be drawn from existing cash and credit facilities.

Issuance of Class B Units, Class C Units and Special Voting Units

As part of the purchase price for the Acquisition, the SmartCentres Vendors have collectively agreed to take approximately up to \$148.3 million of Class B Units (which are generally intended to be economically equivalent to and exchangeable on a one-for-one basis for Units) at a price of \$28.70 per Class B Unit, being the price per Subscription Receipt sold under the offering described above, and the remaining Third Party Owners have agreed to take \$10.1 million of Class B Units at the same price, in each case together with accompanying Special Voting Units (which will provide the holder thereof with voting rights in respect of Calloway) and Class C Units with nominal value, but which are convertible into Class B Units from time to time upon completion of development earn-outs), subject to adjustment and a potential election by certain Property Vendors to change the number of Class B Units and/or Class C Units issued to them as discussed under “The Acquisition – The Property Acquisition”.

Following completion of the Acquisition, in the event that there are no adjustments to the Elected Amount prior to Acquisition Closing, a total of 4.9 million Class B Units and 4.9 million Special Voting Units will be issued to Goldhar Entities and it is expected that the Goldhar Entities will hold an approximate 23% effective interest in Calloway through their ownership of Units, Class B Units and Special Voting Units. To the knowledge of Calloway, other MG Entities currently hold an approximate 2.1% interest in Calloway and, assuming no adjustments to the Elected Amount, it is expected that other MG Entities will be issued a total of 0.3 million Class B Units and 0.3 million Special Voting Units and will continue to hold an approximate 2.1% interest in Calloway through their ownership of Units, Class B Units and Special Voting Units. Goldhar Entities also currently own 9.2 million existing Class C Units, which are exchangeable into Class B Units at the option of the Goldhar Entities at the then market price of the Units. Further, MG Entities will be issued up to 925,000 Class C Units in connection with potential earn-out development arrangements in respect of the PPI Properties and the Other JV Properties as part of the Acquisition. The Class B Units issued upon the conversion of Class C Units will be priced at the market price of Units at the applicable time.

As part of the negotiation of certain property agreements, it was agreed to extend the duration of the earn-out period in respect of the shopping centre properties acquired from SCRI and WCRI in 2005 for a further two-year period until 2017. Remaining earn-out payments for development yet to be completed on such lands is expected to be less than \$2.5 million in aggregate of which the share to the SmartCentres Vendors is not expected to be more than \$1.0 million in aggregate.

Assumption of Indebtedness

The Acquisition Properties are subject to existing mortgage debt which will be assumed by Calloway upon Acquisition Closing. Such debt is expected to have a principal face amount of approximately \$643.8 million assuming that Acquisition Closing occurs in late May 2015, with a weighted average interest rate of 2.6%. The assumed indebtedness has varying terms of maturity between June 2015 and October 2030. See “The Acquisition – Pro Forma Financing”.

Amendments to Declaration of Trust

In connection with the Acquisition, Calloway is seeking Unitholder approval of certain amendments to the Declaration of Trust at the Meeting. SCMI has agreed to cause all Units beneficially owned or controlled by Mitchell Goldhar to be voted in favour of these amendments.

Changes to the Investor Rights of SmartCentres

As described above, pursuant to the Voting Top-Up Right the Goldhar Entities are currently entitled to be issued such number of Additional Special Voting Units which will entitle the Goldhar Entities to cast 25% of the votes at a meeting of the holders of Voting Units. See “Information Respecting Calloway Real Estate Investment Trust – Special Voting Units”. The Voting Top-Up Right is currently set to expire on July 1, 2015.

After negotiations Calloway agreed that the Voting Top-Up Right be extended for five years to 2020 beginning on the later of (a) July 1, 2015 and (b) the Acquisition Closing. It was also agreed that various threshold tests in the Declaration of Trust in relation to the Voting Top-Up Right would be based on the beneficial holdings of (a) Mr. Goldhar, while he remains alive, and (b) a broader group extending also to family members of Mr. Goldhar,

their spouses, his heirs and executors and their affiliates and other entities such as trusts established for the benefit of those referred to above (such persons collectively referred to as the “**MG Entities**”), if Mr. Goldhar is not alive. In addition, it was agreed the various threshold tests in the Declaration of Trust for the appointment of Trustees and to have such appointee Trustees sit on certain committees of the Board would be based on the beneficial holdings of the MG Entities. Further, it was agreed that these rights could be exercised by Mr. Goldhar or assigned to another MG Entity to allow for estate planning.

Mitchell Goldhar’s proposal for the time extension of the Voting Top-Up Right and the modifications of the thresholds for the existing governance rights in the Declaration of Trust to include the holdings of the MG Entities was considered by the Special Committee in the course of its deliberation of the Acquisition. In addition to the consideration of the factors outlined above in connection with its consideration of the Acquisition as a whole, the Special Committee also considered the following:

1. the extension of the Voting Top-Up Right and other governance rights will maintain Calloway’s relationship with Mitchell Goldhar, which provides Calloway with important relationships which assist Calloway in its pursuit of accretive strategies especially in relation to potential development partners such as WCRI;
2. Mitchell Goldhar is an important and significant investor in Calloway and the governance rights would provide a further incentive to this important investor to continue to be aligned with Calloway and to create value for all Unitholders; and
3. Calloway would continue to benefit from Mitchell Goldhar’s and the Goldhar Entities’ strong relationship with Walmart Canada Corp., which is Calloway’s largest tenant in terms of gross leasable area, representing approximately 39.9% of Calloway’s existing gross leasable area (and approximately 42.4% of Calloway’s gross leasable area if the Acquisition is completed) and approximately 24% of its annual gross rent (and approximately 26.9% of Calloway’s annual gross rent if the Acquisition is completed) as at March 31, 2015. Walmart is the anchor tenant in 79 of Calloway’s existing properties, and in 16 of the Acquisition Properties (two of which Calloway currently has an interest in).

The Special Committee has determined that Calloway’s relationship and arrangements with Mitchell Goldhar remain important and beneficial to Calloway and that maintaining and encouraging a positive engaged relationship and arrangements beyond the expiry of the current Voting Top-Up Right would be in the best interests of Calloway and would further align the interests of Mitchell Goldhar, Calloway’s largest investor, with the other Unitholders.

In particular, if in any 365 day period during such period, Mitchell Goldhar or another individual appointed by the MG Entities is a Trustee and the average weighted aggregate number of Units and Special Voting Units (excluding any Additional Special Voting Units) beneficially owned or controlled by Mr. Goldhar (while he remains alive) or the MG Entities (if Mr. Goldhar is not alive) is equal to or greater than the lesser of (A) 20% of the voting rights attached to the issued and outstanding voting securities of Calloway (excluding any Additional Special Voting Units) and (B) 20,000,000 voting securities of Calloway, provided that such 20,000,000 voting securities represent no less than 10% of the voting rights attached to the issued and outstanding voting securities of Calloway (excluding any Additional Special Voting Units), then Calloway shall issue to Mitchell Goldhar or another MG Entity designated in writing such number of Additional Special Voting Units that will entitle Mr. Goldhar (while he remains alive) or the MG Entities (if Mr. Goldhar is not alive) to cast 25% of the aggregate votes eligible to be cast at a meeting of the Unitholders and Special Voting Unitholders.

In order to extend the Voting Top-Up Right for the five-year period described above, it is necessary to amend the Declaration of Trust.

Changes to the Trustee Appointment Rights of the Goldhar Entities

The Declaration of Trust currently provides that if the Goldhar Entities (“SmartCentres” as defined in the Declaration of Trust) are the registered and beneficial owners of certain percentages of the issued and outstanding Units and Special Voting Units, the Goldhar Entities are entitled to appoint a certain number of Trustees to the Board and the maximum number of Trustees on the Board is capped at certain numbers (the “**Existing Trustee Appointment Rights**”). The various minimum ownership thresholds, the number of appointees to which the

Goldhar Entities are entitled to at such thresholds and the applicable cap for the number of Trustees on the Board are set out below:

Minimum Ownership Threshold	Number of Appointee Trustees	Maximum Number of Trustees on the Board
At least 5%	One	Eight
At least 15%	Two	Eight
At least 25%	Three	Nine

After negotiations, Calloway agreed to extend the Existing Trustee Appointment Rights to include the broader MG Entities. In particular, as long as the MG Entities own Units and Special Voting Units on a beneficial basis exceeding the minimum thresholds set out above, the MG Entities are entitled to appoint such number of Trustees to the Board and the maximum number of Trustees on the Board is capped at such number as set out above across from each such minimum ownership threshold (the “**New Trustee Appointment Rights**”). The New Trustee Appointment Rights are not assignable other than to other MG Entities which includes Mitchell Goldhar’s heirs and executors, shall be exercised collectively through one representative and will be in effect until the minimum ownership thresholds set out above are no longer met by the MG Entities.

In order to provide the New Trustee Appointment Rights, it is necessary to amend the Declaration of Trust.

Changes to the Corporate Governance and Compensation Committee Composition

The Declaration of Trust currently provides that the CGCC shall consist of not less than three Trustees and not more than four Trustees, one of whom shall be a Trustee appointed by the Goldhar Entities (“SmartCentres” as defined in the Declaration of Trust) for so long as the Goldhar Entities are the registered and beneficial owners of in excess of 15% of the issued and outstanding Units and/or Special Voting Units (unless the prior written consent to the contrary or a written waiver of the Goldhar Entities is obtained). The Declaration of Trust also currently provides that questions arising in any meeting of the CGCC shall be decided by a majority of the votes cast (the “**Existing CGCC Rights**”).

After negotiations, Calloway agreed to amend the Existing CGCC Rights to include the MG Entities in determining whether the ownership threshold was maintained and to do so on a beneficial ownership basis (the “**Expanded CGCC Rights**”). The Expanded CGCC Rights will regardless of the MG Entities’ ownership level terminate upon Mr. Goldhar’s death.

Additionally, as discussed above pursuant to the Governance and Investor Rights Agreement, following the Acquisition Closing for a period of five years or until the date on which the MG Entities no longer beneficially own Units and Special Voting Units representing at least 10% of the outstanding Units and Special Voting Units, whichever occurs earlier, the New CGCC Rights shall apply. As well, Calloway has agreed to amend the mandate of the CGCC to include the New CGCC Powers as more fully described above. See “The Acquisition – Governance and Investors Rights Agreement”.

In order to provide the Expanded CGCC Rights and to provide the MG Entities with the New CGCC Rights, all as more fully described above, it is necessary to amend the Declaration of Trust.

Changes to the Investment Committee

The Declaration of Trust currently provides that the Investment Committee shall consist of not less than three Trustees and not more than five Trustees, a majority of whom shall be Trustees who are not a member of management, and two of whom shall be Trustees appointed by Goldhar Entities for so long as the Goldhar Entities are the registered and beneficial owner of in excess of 15% of the issued and outstanding Units and Special Voting Units (unless the prior written consent to the contrary or a written waiver of the Goldhar Entities is obtained) (the “**Existing Investment Committee Rights**”) and two-thirds of whom shall have had at least five years of substantive experience in the real estate industry.

After negotiations, Calloway agreed to amend the Existing Investment Committee Rights to include the MG Entities in determining whether the ownership threshold was maintained and to do so on a beneficial basis. In particular, following the Acquisition Closing, the Investment Committee shall consist of not less than three Trustees and not more than five Trustees, a majority of whom shall be Trustees who are not a member of management, and two of whom shall be Trustees appointed by the MG Entities for so long as the MG Entities are the owners on a beneficial basis of in excess of 15% of the issued and outstanding Units and Special Voting Units (unless the prior written consent to the contrary or a written waiver of the MG Entities, acting through one representative, is obtained) and Mitchell Goldhar remains alive (the “**Expanded Investment Committee Rights**”).

In order to provide the Expanded Investment Committee Rights, it is necessary to amend the Declaration of Trust.

Cancellation of Rights of MG Entities

In order for Calloway to monitor compliance by the MG Entities with the MG Entities Ownership Requirements, it is necessary to amend the Declaration of Trust to provide that if, at any time, one of the MG Entities Ownership Requirements is not met for a specified period, the rights and privileges granted to the MG Entities in respect of such MG Entities Ownership Requirement which is no longer met will be cancelled and of no further force or effect.

Certification of Holdings by MG Entities

In order for Calloway to further monitor compliance by the MG Entities of the MG Entities Ownership Requirements, it is necessary to amend the Declaration of Trust to provide that the Trustees may at any time, but no more often than monthly, require that a representative of the MG Entity with the largest beneficial ownership of Units and Special Voting Units (the “**MG Entities Representative**”) deliver a certificate to Calloway certifying the aggregate number of Units and Special Voting Units owned on a beneficial basis as of such date by the MG Entities.

Unitholder Approvals in Respect of Certain Fundamental Transactions

The Trustees believe that it is desirable to provide the Unitholders and Special Voting Unitholders with certain approval rights in respect of fundamental trust transactions, such as take-over bids as a combination, amalgamation, merger or arrangement involving Calloway or the exchange, reclassification or cancellation of the Units or Special Voting Units. In order to provide these approval rights, it is necessary to amend the Declaration of Trust.

Amendment to the Declaration of Trust Not Requiring Unitholder Approval

The Trustees believe that it is desirable to change the name of the Trust to Smart REIT following the Acquisition Closing. In order to effect this change, the Trustees are seeking Unitholder approval to amend the Declaration of Trust.

ELIGIBILITY FOR INVESTMENT

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to Calloway, and McCarthy Tétrault LLP, counsel to the Underwriters, provided that, on the date of closing of the Offering, either: (A) the Subscription Receipts are listed on a “designated stock exchange” as defined in the Tax Act (as defined below) (which includes the TSX); or (B) Calloway is a “mutual fund trust” under the Tax Act or the Units are listed on a designated stock exchange (which includes the TSX) and, in each case described in (B), each person who is an annuitant, a beneficiary, an employer or a subscriber under a particular Plan (as defined below) deals at arm’s length with Calloway and is not Calloway itself, the Subscription Receipts, if issued on such date, will be qualified investments for trusts governed by Plans. In addition, provided that, on the date of closing of the Offering, the Units are listed on a designated stock exchange or Calloway qualifies as a mutual fund trust for purposes of the Tax Act, the Units, including the Units issuable on the exchange of the Subscription Receipts, if issued on such date, would be qualified investments for the Plans.

In the case of an RRSP, an RRIF or a TFSA, provided the annuitant of the RRSP or RRIF or the holder of the TFSA, as the case may be, deals at arm’s length with Calloway (within the meaning of the Tax Act) and does not

have a “significant interest” in Calloway (as defined in the Tax Act), the Units or Subscription Receipts, as applicable, will not be a prohibited investment under the Tax Act for such RRSP, RRIF or TFSA.

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 Plans (depending upon the circumstances at the time), which would give rise to adverse consequences to the Plan or the annuitant or beneficiary thereunder if the Plan acquires such securities and/or obligations. Accordingly, Plans that owns Units should consult their own tax advisor before deciding to exercise the redemption rights attached to the Units.

CONSOLIDATED CAPITALIZATION

As at December 31, 2014, Calloway had 117,044,978 Units and 19,270,216 Exchangeable Securities issued and outstanding. From December 31, 2014 to the date of this prospectus supplement, 487,885 Units and 37,919 Exchangeable Securities have been issued by Calloway or one of its subsidiaries, either: (i) as partial consideration for acquisitions; (ii) pursuant to the incentive deferred unit plan established for Calloway’s trustees, officers and employees; (iii) through Calloway’s distribution reinvestment plan; or (iv) upon the exercise of previously outstanding convertible securities. As such, as at the date of this prospectus supplement, Calloway had 117,532,863 Units and 19,308,135 Exchangeable Securities outstanding for a total of 136,840,998 Units and Exchangeable Securities outstanding in aggregate. As a result of the Offering, following the Acquisition Closing, Unitholders’ equity will increase by 8,015,500 Units if the Over-Allotment Option is exercised in full.

As at December 31, 2014, the indebtedness of Calloway, consisting of mortgages payable, development loans, unsecured debentures, convertible debentures and revolving operating facilities was approximately \$3,001,700,000. Since that time and as of April 20, 2015, the net indebtedness of Calloway has increased by approximately \$64,182,000 including an increase of approximately \$333,450,000 in connection with financing, acquisition and development activities offset by a decrease of approximately \$249,321,000 to repay a portion of indebtedness and a decrease of approximately \$19,947,000 to repay the scheduled amortization of mortgages payable.

DESCRIPTION OF THE SUBSCRIPTION RECEIPTS

The following is a summary of the material attributes and characteristics of the Subscription Receipts and the Subscription Receipt Agreement (as defined below). This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the Subscription Receipt Agreement, which will be filed with the Canadian securities regulatory authorities.

Overview

The Subscription Receipts will be issued at the closing of the Offering pursuant to the Subscription Receipt Agreement. The proceeds from the sale of the Subscription Receipts, less 50% of the fee payable to the Underwriters in respect of the issue and sale of Subscription Receipts pursuant to the Underwriting Agreement (the “**Basic Underwriters’ Fee**”), will be delivered to and held by the Subscription Receipt Agent and invested in short-term obligations of, or guaranteed by, the Government of Canada (and other approved investments) pending the earlier to occur of the Acquisition Closing and the occurrence of a Termination Event. Upon the Acquisition Closing and satisfaction of the other conditions to the exchange of the Subscription Receipts: (a) one Unit will be automatically issued in exchange for each Subscription Receipt, without payment of additional consideration or any further action on the part of the holder; (b) the Subscription Receipt Adjustment Payment, if any, less applicable withholdings taxes, if any, will become payable in respect of each Subscription Receipt; and (c) the Escrowed Funds (less the remaining half of the Underwriters’ fee) will be released to Calloway which will then be utilized to pay a portion of the purchase price for the Acquisition and Calloway’s expenses of the Acquisition. The Escrowed Funds may be subject to a special release to Calloway or, at its direction, under other escrow conditions, in order to facilitate the actual completion of the Acquisition. The Subscription Receipt Agreement contains customary anti-dilution provisions with respect to the Subscription Receipts.

Upon determining that the Acquisition Closing Time will occur on or before the Deadline, Calloway will execute and deliver to the Subscription Receipt Agent, the Underwriters and Computershare Trust Company of Canada, in its capacity as registrar and transfer agent of the Units, a notice of the Acquisition Closing Time, and will

issue and deliver the Units (one Unit for each Subscription Receipt then outstanding) to the Subscription Receipt Agent. If the Acquisition Closing Time occurs on or before the Deadline, holders of Subscription Receipts shall automatically receive one Unit in exchange for each Subscription Receipt held without any further action on the part of the holder and become entitled to receive from the Subscription Receipt Agent, without duplication, on or about the third business day following the date of the Acquisition Closing, an amount representing the Subscription Receipt Adjustment Payment, if any, less applicable withholdings taxes, if any, for each Subscription Receipt so held. The Subscription Receipt Adjustment Payment payable to a holder of a Subscription Receipt shall include such holder's *pro rata* share of the Earned Interest (provided such amount shall not exceed the Subscription Receipt Adjustment Payment payable to such holder), and if the Earned Interest is insufficient to pay the Subscription Receipt Adjustment Payment to such holder, Calloway will pay the amount of such shortfall to such holder as a reduction in the purchase price of the Units issuable to such holder pursuant to the Subscription Receipts held by such holder. To the extent that the Subscription Receipt Adjustment Payment includes amounts in respect of cash distributions on the Units for which record dates have occurred (during the period from and including the closing date of the Offering to and including the date immediately preceding the date Units are issued or deemed to be issued pursuant to the Subscription Receipt Agreement) and have not yet been paid, such amounts shall not be payable to holders of Subscription Receipts, unless Calloway otherwise elects, until the date that such related cash distributions are paid to Unitholders. If the Acquisition Closing Time occurs on or before the Deadline, Calloway shall be entitled to receive the Escrowed Funds (including all Earned Interest in excess of the Subscription Receipt Adjustment Payment, if applicable, but less the remaining half of the Underwriters' fee) from the Subscription Receipt Agent. Promptly following the Acquisition Closing Time, Calloway will issue a press release announcing that the Acquisition Closing has occurred and that the Units have been issued.

If a Termination Event occurs, Calloway will immediately notify the Subscription Receipt Agent and the Underwriters, and promptly issue a press release specifying the Termination Event. Upon the occurrence of a Termination Event, the subscription evidenced by each Subscription Receipt will be automatically terminated and cancelled and each Subscription Receipt will entitle the holder thereof to receive an amount equal to the full Subscription Price and his or her *pro rata* share of the Earned Interest and Deemed Interest. Despite the fact that the Basic Underwriters' Fee will be paid by Calloway to the Underwriters from the proceeds from the sale of the Subscription Receipts at the closing of the Offering, Calloway will nonetheless, following a Termination Event, be responsible to compensate each holder of a Subscription Receipt for an amount equal to the full Subscription Price and his or her *pro rata* share of the Earned Interest and Deemed Interest. The obligation to make the payment of the amounts specified above shall be satisfied by mailing payment by cheques payable to the holders of Subscription Receipts at such holders' registered address or by making a wire transfer for the accounts of such holders through CDS. Upon the mailing or delivery of a cheque or the making of any wire transfer as provided above (and provided such cheque has been honoured for payment, if presented for payment within six months of the date thereof, as the case may be) all rights evidenced by the Subscription Receipts relating thereto shall be satisfied and such Subscription Receipts shall be void and of no value or effect.

Holders of Subscription Receipts are not Unitholders and Subscription Receipts do not carry any voting rights in Calloway. Holders of Subscription Receipts are entitled only to receive Units on surrender of their Subscription Receipts to the Subscription Receipt Agent or to a return of the Subscription Price for the Subscription Receipts together with any payments in respect of interest or distributions, in each case as applicable, as described above.

Subscription Receipt Certificates

Each purchaser acquiring a beneficial interest in a Subscription Receipt represented by a Subscription Receipt Certificate will receive a customer confirmation of purchase from the Underwriter from whom the beneficial interest is purchased in accordance with the practices and procedures of the selling Underwriter. Registration of ownership and transfers of Subscription Receipts represented by a Subscription Receipt Certificate may be effected through the book-based system administered by CDS or its nominees (with respect to interests of participants of CDS) and on the records of participants of CDS (with respect to interests of persons other than participants of CDS). The ability of an owner of a beneficial interest in a Subscription Receipt represented by a Subscription Receipt Certificate to pledge such Subscription Receipt or otherwise take action with respect to such owner's interest in such Subscription Receipt (other than through a CDS participant) may be limited due to the lack of a physical certificate.

Neither Calloway, the Underwriters nor the Subscription Receipt Agent shall have any responsibility or liability for: (a) any aspect of the records relating to the beneficial ownership of the Subscription Receipts held by

CDS or any payments relating thereto; (b) maintaining, supervising or reviewing any records relating to the Subscription Receipts; or (c) any advice or representation made by or with respect to CDS and contained in the Short Form Prospectus or this prospectus supplement and relating to the rules governing CDS or any action to be taken by CDS or at the direction of a participant of CDS. The rules governing CDS provide that it acts as the agent and depository for the participants of CDS. As a result, participants of CDS must look solely to CDS and a purchaser acquiring a beneficial interest in the Subscription Receipts represented by a CDS-registered Subscription Receipt Certificate must look solely to participants of CDS for any payments relating to the Subscription Receipts paid by or on behalf of Calloway to CDS.

Limitation on Non-Resident Ownership

At no time may non-residents of Canada be the beneficial owners (on either a basic or fully diluted basis) of more than 49.9% of the Units, whether by way of the automatic exchange of Subscription Receipts to Units in accordance with their terms, or otherwise. The Subscription Receipt Agent may, upon the instruction of Calloway, require declarations as to the jurisdictions in which beneficial owners of Subscription Receipts are resident. If Calloway notifies the Subscription Receipt Agent that the beneficial owners (on either a basic or fully diluted basis) of more than 49.9% of the Units are, or may be, non-residents, or that such a situation is imminent, Calloway may require the Subscription Receipt Agent to make a public announcement thereof and Calloway may instruct the Subscription Receipt Agent not to register a transfer of Subscription Receipts, or an issuance of Units pursuant to Subscription Receipts, to a person unless the person provides a declaration that the person is not a non-resident and does not hold his or her Subscription Receipts and/or Units, as the case may be, for the benefit of a non-resident. If, notwithstanding the foregoing, Calloway notifies the Subscription Receipt Agent that beneficial owners (on either a basic or fully diluted basis) of more than 49.9% of the Units are non-residents, Calloway may instruct the Subscription Receipt Agent to, or Calloway may, send a notice to non-resident holders of Subscription Receipts or Units and holders of Subscription Receipts or Units for the benefit of non-residents, chosen in inverse order to the order of acquisition or registration of the Subscription Receipts or Units or in such manner as Calloway may consider equitable and practicable, requiring them to sell their Subscription Receipts or Units or a portion thereof to a resident of Canada within a specified period of not more than 30 days. If the holders of Subscription Receipts or Unitholders receiving such notice have not sold the specified number of Subscription Receipts or Units or provided the Subscription Receipt Agent and Calloway with satisfactory evidence that they are not non-residents and do not hold Subscription Receipts or Units for the benefit of a non-resident within such period, Calloway may or Calloway may instruct the Subscription Receipt Agent to, on behalf of such holder of Subscription Receipts or Units, and Calloway or the Subscription Receipt Agent, as applicable, shall have the power of attorney of such holder to, sell or redeem such Subscription Receipts or Units, as the case may be, and, in the interim, shall suspend the rights attached to such Subscription Receipts or Units. Upon such sale or redemption, the affected holders shall cease to be holders of Subscription Receipts or Units, as the case may be, and their rights shall be limited to receiving the net proceeds of sale or redemption upon surrender of such Subscription Receipts or Units.

DESCRIPTION OF THE UNITS

An unlimited number of Units may be created and issued pursuant to Calloway's 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 of Calloway determine. Each Unit represents an equal fractional undivided beneficial interest in any distributions from Calloway 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.

PRIOR SALES

The following table sets out the issuances of Units and securities that are convertible or exchangeable into Units that occurred in the 12-month period before the date of this prospectus supplement:

<u>Date</u>	<u>Issuance Type⁽¹⁾</u>	<u>Total Number of Securities Issued</u>	<u>Issuance Price per Security</u>
April 29, 2014	Acquisition 2 Earn-Out Proceeds - Issuance of Units	95,356	\$14.00
May 15, 2014	Distribution Reinvestment Plan	78,730	\$25.95
May 23, 2014	Conversion of Convertible Debentures	970	\$25.75
May 29, 2014	Acquisition 5 Earn-Out Proceeds - Issuance of Units	42,767	\$20.10
May 29, 2014	Acquisition 5 Earn-Out Proceeds - Issuance of Exchangeable Securities	28,512	\$20.10
June 16, 2014	Distribution Reinvestment Plan	86,460	\$26.19
July 15, 2014	Distribution Reinvestment Plan	91,429	\$25.44
August 15, 2014	Distribution Reinvestment Plan	99,437	\$25.42
August 28, 2014	Acquisition 7 Earn-Out Proceeds - Issuance of Exchangeable Securities	9,434	\$15.25
August 28, 2014	Acquisition 7 Earn-Out Proceeds - Issuance of Exchangeable Securities	43,551	\$29.55
August 28, 2014	Acquisition 14 Earn-Out Proceeds - Issuance of Exchangeable Securities	17,482	\$26.22
September 10, 2014	Acquisition 15 - Issuance of Exchangeable Securities	354,000	\$26.23
September 15, 2014	Distribution Reinvestment Plan	93,905	\$25.79
October 15, 2014	Distribution Reinvestment Plan	92,545	\$25.14
November 15, 2014	Distribution Reinvestment Plan	77,841	\$26.68
November 28, 2014	Acquisition 5 Earn-Out Proceeds - Issuance of Exchangeable Securities	655	\$20.10
December 15, 2014	Distribution Reinvestment Plan	101,073	\$26.44
December 18, 2014	Acquisition 15 Earn-Out Proceeds - Issuance of Exchangeable Securities	12,476	\$27.95
January 15, 2015	Distribution Reinvestment Plan	80,149	\$28.47
January 29, 2015	Acquisition 5 Earn-Out Proceeds - Issuance of Exchangeable Securities	37,919	\$20.10
January 29, 2015	Conversion of Convertible Debentures	77,669	\$25.75
February 2, 2015	Conversion of Convertible Debentures	233	\$25.75
February 17, 2015	Distribution Reinvestment Plan	73,852	\$30.02
February 17, 2015	Conversion of Convertible Debentures	194	\$25.75
February 26, 2015	Conversion of Convertible Debentures	55,184	\$25.75
March 16, 2015	Distribution Reinvestment Plan	99,328	\$28.66
April 15, 2015	Distribution Reinvestment Plan	101,276	\$28.42

(1) Capitalized terms in this column that are not otherwise defined herein have the meanings ascribed to them in Calloway's annual information form dated February 11, 2015.

(2) During the 48-month period before the date of this prospectus supplement, the subsidiary limited partnerships of Calloway have issued 1,166,720 Class B Units and Calloway has issued an equivalent number of Special Voting Units.

TRADING PRICE AND VOLUME

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 periods indicated:

<u>Period</u>	<u>High</u>	<u>Price Range</u>	<u>Low</u>	<u>Trading Volume</u>
2014				
April	\$27.20		\$25.01	5,500,381
May.....	\$27.50		\$26.41	2,940,910
June.....	\$27.40		\$26.29	3,261,332
July	\$26.96		\$25.75	3,010,642
August	\$26.96		\$25.77	2,995,765
September.....	\$26.91		\$25.43	3,837,583
October.....	\$27.94		\$25.47	4,475,418
November.....	\$28.34		\$26.85	3,678,673
December	\$28.01		\$26.57	3,458,647
2015				
January	\$32.75		\$27.25	5,067,480
February	\$32.13		\$29.66	3,046,198
March	\$30.85		\$28.58	4,309,488
April 1 - 17	\$30.39		\$28.58	2,924,544

PLAN OF DISTRIBUTION

Under an underwriting agreement (the “**Underwriting Agreement**”) dated April 20, 2015 between the Underwriters and Calloway, Calloway has agreed to sell and the Underwriters have severally agreed to purchase on April 27, 2015 or such other date as may be agreed upon, but not later than May 25, 2015, subject to compliance with all necessary legal requirements and to the terms and conditions contained in the Underwriting Agreement, 6,970,000 Subscription Receipts at the Subscription Price payable in cash to the Subscription Receipt Agent against delivery of the certificates representing the Subscription Receipts. The Underwriting Agreement provides that Calloway will pay the Underwriters a fee equal to 4.0% of the gross proceeds from the sale of the Subscription Receipts on account of their services rendered in connection with the Offering. The Underwriters’ fee in respect of the Subscription Receipts is payable as to 50% upon closing of the Offering and 50% upon the Acquisition Closing. The Underwriters’ fee payable in respect of the Subscription Receipts upon the Acquisition Closing will be payable from the Escrowed Funds under the Subscription Receipt Agreement, in accordance with the terms and conditions thereof. If the Acquisition is not completed and the Escrowed Funds are refunded to the purchasers of Subscription Receipts, the Underwriters’ fee in respect of the Subscription Receipts shall consist solely of such 50% amount payable at the closing of the Offering.

The obligations of the Underwriters under the Underwriting Agreement are several (and not joint or joint and several) and may be terminated at their discretion on the basis of their assessment of any material change to the business of Calloway and may also be terminated upon the occurrence of certain stated events. The Underwriting Agreement contemplates that, if a Termination Event has occurred prior to the Acquisition Closing, the Offering will be terminated. The Underwriters are, however, obligated to take up and pay for all of the Subscription Receipts if any of the Subscription Receipts are purchased under the Underwriting Agreement.

The terms of the Offering and the Subscription Price were established by negotiation between Calloway and the Underwriters with reference to the market price of the Units and other applicable factors.

The Underwriters propose to offer the Subscription Receipts initially at the Subscription Price. After a reasonable effort has been made to sell all of the Subscription Receipts at the Subscription Price, the Underwriters may subsequently reduce and thereafter change, from time to time, the price at which the Subscription Receipts are offered to an amount not greater than the Subscription Price. The compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Subscription Receipts is less than the gross proceeds paid by the Underwriters to Calloway.

Calloway has granted the Underwriters the Over-Allotment Option, exercisable in whole or in part and at any time not later than the earlier of (i) the 30th day following the date of the closing of the Offering and (ii) the occurrence of a Termination Event, to purchase from Calloway up to 1,045,500 additional Subscription Receipts on the same terms and conditions set forth above solely to cover overallocments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in whole or in part following the completion of the Acquisition, an equal number of Units will be issued in lieu of Subscription Receipts. This prospectus supplement also qualifies the granting of the Over-Allotment Option and the Subscription Receipts issuable upon the exercise of the Over-Allotment Option, as well as the Units issuable in lieu of Subscription Receipts if the Over-Allotment Option is exercised in whole or in part following the completion of the Acquisition. A purchaser who acquires Subscription Receipts forming part of the Underwriters' over-allocation position acquires such Subscription Receipts under this prospectus supplement regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The Offering is being made in each of the provinces of Canada. The Subscription Receipts and the Underlying Units have not been and will not be registered under the U.S. Securities Act or any state securities laws. The Subscription Receipts may not be offered, sold or delivered in the United States except pursuant to transactions that are exempt from the registration requirements of such laws. The Underwriting Agreement provides that the Subscription Receipts may be offered or sold in the United States to persons reasonably believed by the Underwriters to be qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) pursuant to Rule 144A under the U.S. Securities Act and in compliance with applicable state securities laws. This prospectus supplement does not constitute an offer to sell or solicitation of an offer to buy the Subscription Receipts in the United States or under any state securities laws. The Underwriting Agreement provides that the Underwriters may offer and sell the Subscription Receipts outside the United States only in accordance with Rule 903 of Regulation S under the U.S. Securities Act. In addition, until 40 days after the commencement of the Offering, any offer or sale of the Subscription Receipts offered hereby within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if that offer or sale is made other than in accordance with an exemption from the registration requirements of the U.S. Securities Act.

If one or more of the Underwriters fails to purchase their allotment of the Subscription Receipts, the remaining Underwriter or Underwriters may, but are not obligated to, purchase the Subscription Receipts not purchased by the Underwriter or Underwriters who failed to purchase.

Calloway has agreed to indemnify the Underwriters and their respective shareholders, directors, officers, employees, agents and affiliates against certain liabilities, including civil liabilities under Canadian provincial securities legislation, or to contribute to payments the Underwriters may be required to make in respect thereof.

The TSX has conditionally approved the listing of the Subscription Receipts and the Units issuable in exchange for Subscription Receipts. Listing is subject to Calloway fulfilling all of the requirements of the TSX on or before July 17, 2015.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution under this prospectus supplement, bid for or purchase Subscription Receipts. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of, Subscription Receipts. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules as administered by Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Under the first mentioned exception, in connection with the Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Subscription Receipts at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be interrupted or discontinued at any time.

Calloway has further agreed with the Underwriters that it will not issue or sell Units or any securities convertible or exchangeable for Units (or agree to do so or publicly announce any intention to do so), at any time prior to 60 days after the issuance of the Subscription Receipts offered pursuant to this prospectus supplement, unless (i) the issue or sale or the proposed issue or sale is made pursuant to the Underwriting Agreement; or

(ii) Calloway will have obtained the prior written consent of CIBC on behalf of the Underwriters, which consent will not be unreasonably withheld or delayed.

RELATIONSHIP BETWEEN CALLOWAY AND CERTAIN OF THE UNDERWRITERS

Calloway may be considered to be a “connected issuer” of each of CIBC, BMO Nesbitt Burns Inc., TD Securities Inc., RBC Dominion Securities Inc., Scotia Capital Inc., Desjardins Securities Inc. and National Bank Financial Inc. under applicable securities legislation. Each of CIBC, BMO Nesbitt Burns Inc., TD Securities Inc., RBC Dominion Securities Inc., Scotia Capital Inc., Desjardins Securities Inc. and National Bank Financial Inc. is a subsidiary of a financial institution which is among Calloway’s principal lenders.

As at April 17, 2015:

- (a) approximately \$nil is outstanding under an operating line, and approximately \$84,741,793 , in aggregate, is outstanding under construction loans and mortgages on certain of Calloway’s properties, with the bank which owns CIBC;
- (b) approximately \$nil is outstanding under an operating line with the bank which owns BMO Nesbitt Burns Inc.;
- (c) approximately \$nil is outstanding under an operating line, and approximately \$192,455,144, in aggregate, is outstanding under mortgages on certain of Calloway's properties, with the Bank which owns TD Securities Inc.;
- (d) approximately \$nil is outstanding under an operating line, and approximately \$2,410,476 in aggregate, is outstanding under mortgages on certain of Calloway’s properties with the bank that owns RBC Dominion Securities Inc.;
- (e) approximately \$nil is outstanding under an operating line, and approximately \$146,690,885 in aggregate, is outstanding under construction loans and mortgages on certain of Calloway's properties, with the bank which owns Scotia Capital Inc.;
- (f) approximately \$nil is outstanding under an operating line and approximately \$26,557,404 was outstanding under mortgages on certain of Calloway's properties with the bank which owns Desjardins Securities Inc.; and
- (g) approximately \$nil is outstanding under an operating line and approximately \$625,000 is outstanding under construction loans on certain of Calloway’s properties with National Bank Financial Inc.

While the credit facility is unsecured, the mortgages referred to above are secured by certain assets of Calloway. The agreements governing such indebtedness contain representations and covenants, restrictions and events of default that are customary for such agreements, including restrictions on Calloway relating to additional indebtedness, liens and encumbrances and adherence to specified financial covenants.

As of the date of this prospectus supplement, Calloway is in compliance with the terms of such agreements and the financial position of Calloway and the value of the security granted to the financial institutions pursuant to such agreements have not materially changed since such agreements were entered into.

In addition, CIBC was retained by the Special Committee for the provision of financial advice, including a fairness opinion, in connection with the Acquisition and will receive customary fees in connection therewith. See “The Acquisition – Fairness Opinion”.

Each of the Underwriters has advised Calloway that the decision to underwrite the Offering was made independently of the financial institutions and the financial institutions had no influence as to the determination of the terms of the distribution. The decision to undertake the Offering was made by Calloway. In particular, CIBC was not involved in the decision to undertake the Offering, however, the determination of the terms of the distribution

were made through negotiations primarily between Calloway and CIBC, on its own behalf and on behalf of the other Underwriters. None of the Underwriters will receive any benefit in connection with the Offering other than its share of the Underwriters' fee and in respect of CIBC, fees payable to CIBC for providing financial advice in connection with the Acquisition that are contingent on the closing of the Acquisition, in each case, payable by Calloway.

USE OF PROCEEDS

The estimated net proceeds to Calloway from the Offering, assuming the Acquisition Closing occurs and the release of the Escrowed Funds, after deducting the Underwriters' fees of \$8,001,560 but before deducting the estimated expenses of the issue estimated to be approximately \$600,000, will be approximately \$192,037,440 excluding Earned Interest, if any, on the Escrowed Funds (\$220,843,056 if the Over-Allotment Option is exercised in full).

Calloway intends to use the net proceeds of the Offering (including the net proceeds, if any, of the Over-Allotment Option) to pay for a portion of the purchase price of the Acquisition and related expenditures. The remainder of the purchase price of the Acquisition will be satisfied by the assumption of mortgage debt on the Acquisition Properties and the issuance of up to 5,517,180 Class B Units, 5,517,180 Special Voting Units and 1,170,000 Class C Units. See "The Acquisition".

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Counsel, the following is a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to a holder who acquires, as beneficial owner, Subscription Receipts under the Offering and to such a holder who acquires, as a beneficial owner, Units on the exchange of Subscription Receipts acquired by the holder under the Offering (collectively, the "Securities"). This summary is applicable to such a holder who, at all relevant times, for purposes of the application of the Tax Act: (i) is, or is deemed to be, resident in Canada; (ii) deals at arm's length with, and is not affiliated with, Calloway; and (iii) holds Securities as capital property (a "Holder"). Generally, the Securities will be considered to be capital property to a Holder provided the Holder does not acquire or hold such Securities in the course of carrying on a business of buying, holding or selling securities or as part of an adventure or concern in the nature of trade. Certain Holders may be entitled to make or may have already made the irrevocable election permitted by subsection 39(4) of the Tax Act, the effect of which may be to deem to be capital property any Units (and all other "Canadian securities", as defined in the Tax Act) owned by such Holder in the taxation year in which the election is made and in all subsequent taxation years. Holders whose Units might not otherwise be considered to be capital property should consult their own tax advisors concerning this election.

This summary is not applicable to a holder (i) an interest in which is a "tax shelter investment", (ii) that is, for purposes of certain rules (referred to as the mark-to-market rules) applicable to securities held by financial institutions, a "financial institution", (iii) that reports its "Canadian tax results" in a currency other than Canadian currency, or (iv) that enters into, with respect to their Securities, a "derivative forward agreement", each as defined in the Tax Act. Such holders should consult their own tax advisors.

This summary is based on (i) the facts set out in the Short Form Prospectus and this prospectus supplement (including the documents incorporated by reference), (ii) a certificate of Calloway as to certain factual matters, (iii) the current provisions of the Tax Act in force at the date hereof, and (iv) Counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency published in writing by it prior to the date hereof. This summary takes into account the Proposed Amendments and assumes that all Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice, whether by legislative, administrative or judicial decision or action, nor does it take into account any other federal or any provincial, territorial or foreign jurisdiction tax legislation or considerations, which may differ from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular holder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective holders of Securities should consult their own tax advisors having regard to their own particular circumstances.

Status of Calloway

Mutual Fund Trust

This summary is based on the assumption that Calloway qualifies as a “mutual fund trust”, as defined in the Tax Act, at the time of the Offering, and is expected to continuously qualify as a “mutual fund trust” at all relevant times. Such assumption is based upon a certificate of Calloway as to certain factual matters. If Calloway were not to qualify as a “mutual fund trust” at any particular time, the Canadian federal income tax considerations described below would, in some respects, be materially different.

SIFT Rules and REIT Exception – Application to Calloway

The Tax Act imposes a special taxation regime (the “**SIFT Rules**”) applicable to certain publicly traded income trusts and partnerships (each a “**SIFT**”). Under the SIFT Rules, a SIFT is subject to tax in respect of certain distributions that are attributable to the SIFT’s “non-portfolio earnings” (as defined in the Tax Act; generally, income (other than certain dividends) from, or capital gains realized on, “non-portfolio properties”, which does not include certain investments in non-Canadian entities), at a rate substantially equivalent to the combined federal and provincial corporate tax rate on certain types of income.

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, certain investments in corporations and trusts resident in Canada and in partnerships with specified connections in Canada and property used in carrying on a business in Canada. Calloway will be a SIFT for purposes of the SIFT Rules unless it qualifies for the REIT Exception described below.

The SIFT Rules are not applicable to REITS that meet certain specified criteria relating to the nature of their revenues and investments (the “**REIT Exception**”). If Calloway fails to qualify for the REIT Exception, Calloway will be subject to the taxation regime introduced by the SIFT Rules.

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) dispositions of real or immovable properties that are capital 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; and (C) dispositions of real or immovable properties that are capital 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 total fair market value of all properties held by the REIT each of which is real or immovable property that is capital property, an eligible resale 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 than 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. Each of the terms “non-portfolio property”, “qualified REIT property”, “gross REIT revenue”, “rent from real or immovable properties”, “real or immovable property”, “eligible resale property”, “equity value” and “non-portfolio earnings” is defined in the Tax Act.

The REIT Exception contains a number of technical tests and the determination as to whether Calloway qualifies under the REIT Exception in any particular taxation year can only be made with certainty at the end of that taxation year. This summary is subject to the SIFT Rules discussed above and is based on the assumption that Calloway currently qualifies for the REIT Exception and is expected to continue to qualify for the REIT Exception at all relevant times. Such assumption is based upon a certificate of Calloway as to certain factual matters. If

Calloway were not to qualify under the REIT Exception, such that Calloway would be subject to the SIFT Rules, the Canadian federal income tax considerations described below would, in some respects, be materially different.

Taxation of Calloway

The taxation year of Calloway is the calendar year. In each taxation year, Calloway will generally be subject to tax under Part I of the Tax Act on any taxable income of Calloway (including net realized taxable capital gains from dispositions of property and Calloway's allocated share of the income from its underlying partnerships for the fiscal period of such underlying partnerships ending in, or coinciding with the year end of Calloway), less the portion thereof that it deducts in respect of the amounts paid or payable, or deemed to be paid or payable, in the year to unitholders. An amount will be considered to be payable to a unitholder in a taxation year if it is paid to the unitholder in the year by Calloway or if the unitholder is entitled in that year to enforce payment of the amount.

In computing its income, Calloway may generally deduct reasonable administrative costs and other reasonable expenses incurred by it for the purpose of earning income and available capital cost allowances, as well as a portion of any reasonable expenses incurred by Calloway to issue units or debentures, subject to the relevant provisions of the Tax Act. Losses incurred by Calloway cannot be allocated to unitholders, but can be deducted by Calloway in future years in computing its taxable income, subject to and in accordance with the provisions of the Tax Act.

Calloway will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on the redemption of Units during the year (the "**Capital Gains Refund**"). In certain circumstances, the Capital Gains Refund in a particular taxation year may not completely offset Calloway's tax liability for such taxation year.

Counsel has been advised that Calloway intends to distribute to unitholders, in cash or in Units, in each year its net income and net realized capital gains to such an extent that Calloway will not be liable in any year for income tax under Part I of the Tax Act, after taking into account applicable losses of Calloway and any Capital Gains Refund to which Calloway is entitled for such year. Income of Calloway payable to unitholders, whether in cash, additional Units or otherwise, will generally be deductible by Calloway in computing its taxable income.

Taxation of Limited Partnerships in which Calloway holds an Interest

This portion of the summary relates to each of the limited partnerships in which Calloway holds an interest (each, a "**Calloway LP**"). With respect to each Calloway LP, where all of the equity of a Calloway LP is held by a real estate investment trust (as defined in the Tax Act), one or more taxable Canadian corporations (as defined in the Tax Act) and/or an excluded subsidiary entity (as defined in the Tax Act) throughout a relevant taxation year and none of the equity of such Calloway LP is listed or traded on a stock exchange or other public market at any time in such relevant taxation year, then such Calloway LP will be an excluded subsidiary entity (as defined in the Tax Act) and will not be subject to the SIFT Rules in such relevant taxation year. This summary assumes that each of the Calloway LPs, on the basis of the above criteria as applicable, is currently, and is expected to be at any relevant times, an excluded subsidiary entity (as defined in the Tax Act) such that none of the Calloway LPs will be subject to the SIFT Rules in its current fiscal year or, as expected, in any subsequent fiscal year. Such assumption is based upon a certificate of Calloway as to certain factual matters.

Each of the Calloway LPs is not subject to tax under the Tax Act. Each partner of a Calloway LP, including Calloway, will be required to include in computing the partner's income the partner's share of the income or loss of such Calloway LP for its fiscal year ending in or coincident with the partner's taxation year, whether or not any such income is distributed to the partner in the taxation year. For this purpose, the income or loss of a Calloway LP will be computed for each fiscal year as if such Calloway LP were a separate person resident in Canada. In computing the income or loss of a Calloway LP, deductions will be claimed in respect of its reasonable administrative and other expenses incurred for the purpose of earning income and available capital cost allowances. The income (including taxable capital gains) or loss of a Calloway LP for a fiscal year will be allocated to partners of such Calloway LP, including Calloway, on the basis of their respective shares of such income or loss, subject to the detailed rules in the Tax Act in that regard.

Taxation of Holders of Subscription Receipts

Exchange of Subscription Receipts

No gain or loss will be realized by a Holder on the exchange of a Subscription Receipt for a Unit evidenced thereby. The cost to a Holder of a Unit acquired on the exchange of a Subscription Receipt will be the amount paid by that Holder for the Subscription Receipt, less any amount paid to the Holder by Calloway as a reduction in the purchase price of the Unit, as applicable. The adjusted cost base of a Holder's Units will be determined by averaging the cost of Units acquired on the exchange of Subscription Receipts with the adjusted cost base of other Units, if any, held by the Holder as capital property at the time of the exchange.

Other Dispositions of Subscription Receipts

A disposition or deemed disposition by a Holder of a Subscription Receipt, other than on the exchange thereof for a Unit, will generally result in the Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition are greater (or less) than the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition. A Holder's cost of a Subscription Receipt will generally be the amount paid therefor plus any reasonable costs of acquisition. A Holder's adjusted cost base of a Subscription Receipt will reflect the average cost of the Holder's Subscription Receipts. The taxation of capital gains and capital losses is described below under “– Taxation of Holders of Units – Capital Gains and Capital Losses”.

Amounts Received by Holders of Subscription Receipts

The Subscription Receipts will be exchanged for Units upon the Acquisition Closing and a Holder of a Subscription Receipt will be entitled to receive a Unit plus the Subscription Receipt Adjustment Payment, if any. The Subscription Receipt Adjustment Payment, if any, will include the Holder's *pro rata* share of Earned Interest (the taxation of interest is described below under “– Taxation of Holders of Subscription Receipts - Repayment of Issue Price and Interest”). If the amount of such interest is less than the Subscription Receipt Adjustment Payment, Calloway will pay to the Holder the amount of any shortfall as a reduction in the purchase price of the Holder's Units. A Holder will not be required to include in income the amount of any such purchase price reduction; however, any such amount will reduce the cost to the Holder of the Holder's Units acquired on the exchange of the Subscription Receipts.

Repayment of Issue Price and Interest

If the Acquisition does not close due to a Termination Event, Holders of the Subscription Receipts will be entitled to receive an amount equal to the issue price thereof and their *pro rata* share of Earned Interest and Deemed Interest. The Holder will not generally realize any income, gain or loss on the repayment to the Holder of the issue price.

Where a Holder is entitled to receive the Holder's *pro rata* share of Earned Interest or Deemed Interest (including any such Earned Interest that is included in the amount of a Subscription Receipt Adjustment Payment paid to such Holder), a Holder that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing income for a taxation year any interest accrued or deemed to have accrued to the Holder on the Escrowed Funds, to the end of the Holder's taxation year, or that is receivable or received by the Holder before the end of that taxation year, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year. Any other Holder that is entitled to receive the Holder's *pro rata* share of Earned Interest or Deemed Interest (including any such Earned Interest that is included in the amount of a Subscription Receipt Adjustment Payment paid to such Holder) will be required to include in income for a taxation year such interest as is received or receivable by the Holder in that taxation year, depending on the method regularly followed by the Holder in computing income, to the extent that such interest was not included in computing the Holder's income for a preceding taxation year.

Taxation of Holders of Units

Distributions

A Holder will generally be required to include in income for a particular taxation year the portion of the net income of Calloway for the taxation year of Calloway ending on or before the taxation year of the Holder, including net realized taxable capital gains, that is paid or payable to the Holder in the particular taxation year, whether that amount is received in cash, additional Units or otherwise.

Provided that appropriate designations are made by Calloway, that portion of the: (1) taxable dividends received by it from taxable Canadian corporations; (2) net realized taxable capital gains; and (3) Foreign Source Income, as is paid or payable to a Holder will effectively retain their respective characters and be treated as taxable dividends, taxable capital gains or Foreign Source Income, as the case may be, in the hands of the Holder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends received or deemed to be received on shares of a taxable Canadian corporation, the normal gross-up and dividend tax credit provisions will be applicable in respect of Holders who are individuals, the refundable tax under Part IV of the Tax Act will be payable by Holders that are “private corporations” and “subject corporations”, and the deduction in computing taxable income will be available to Holders that are corporations.

Certain taxable dividends received by individuals from a corporation resident in Canada will be eligible for the enhanced dividend tax credit to the extent certain conditions are met and designations are made. This may apply to distributions made by Calloway that have as their source “eligible dividends” received by Calloway from a corporation resident in Canada, to the extent Calloway makes the appropriate designation to have such “eligible dividends” deemed received by the Holder of Units and provided that the corporate dividend payer makes the required designation to treat such taxable dividends as “eligible dividends”.

The non-taxable portion of any net realized taxable capital gains of Calloway that is paid or payable to a Holder in a taxation year will not be included in computing the Holder’s income for the year. Any other amount in excess of the net income and net taxable capital gains of Calloway that is paid or payable to a Holder in that year will generally not be included in the Holder’s income for the year. However, where such an amount is paid or payable to a Holder (other than as proceeds in respect of the redemption of Units), the Holder will be required to reduce the adjusted cost base of the Units by that amount. Where reductions to a Holder’s adjusted cost base of Units for a year would result in the adjusted cost base becoming a negative amount, such amount will be treated as a capital gain realized by the Holder in that year and the Holder’s adjusted cost base of the Units will then be nil.

The cost to a Holder of additional Units received in lieu of a cash distribution of income will be the amount of income distributed by the issue of those Units. For the purpose of determining the adjusted cost base to a Holder, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all of the Units owned by the Holder as capital property immediately before that acquisition.

Purchase of Units

Since the net income of Calloway will be distributed on a monthly basis, a purchaser of a Unit may become taxable on a portion of the net income of Calloway accrued or realized by Calloway in a month before the time the Unit was purchased but which was not paid or made payable to Holders until the end of the month and after the time the Unit was purchased. A similar result may apply on an annual basis in respect of a portion of capital gains accrued or realized by Calloway in a year before the time the Unit was purchased but which is paid or made payable to Holders at year end and after the time the Unit was purchased.

Dispositions of Units

On the disposition or deemed disposition of a Unit, whether on a redemption or otherwise, the Holder will realize a capital gain (or capital loss) equal to the amount by which the Holder’s proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. Proceeds of disposition will not include any amount that is otherwise required to be included in the Holder’s income such as amounts treated as having been paid to the Holder out of income or capital gains of Calloway.

For the purpose of determining the adjusted cost base to a Holder of Units, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all Units owned by the Holder as capital property immediately before that time.

Where the redemption proceeds of Units are paid by the distribution of securities and/or obligations of Calloway to the redeeming Holder, the proceeds of disposition to the Holder of the Units will be equal to the fair market value of the securities so distributed. The cost of any security and/or obligation distributed by Calloway to a Holder upon a redemption of Units will be equal to the fair market value of that security and/or obligation at the time of the transfer less, in the case of a debt security, any accrued interest on the debt security. The Holder will thereafter be required to include in income interest on any debt security so acquired in accordance with the provisions of the Tax Act. To the extent that the Holder is thereafter required to include in income any interest accrued to the date of the acquisition of a debt security by the Holder, an offsetting deduction will be available.

Capital Gains and Capital Losses

Generally, a Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Holder is required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a taxation year from taxable capital gains realized by the Holder in the year. Allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years.

Where a Holder that is a corporation or trust (other than a “mutual fund trust”) disposes of a Unit, the Holder’s capital loss from the disposition will generally be reduced by the amount of dividends previously designated by Calloway to the Holder except to the extent that a loss on a previous disposition of a Unit has been reduced by those dividends. Analogous rules apply where a corporation or trust (other than a “mutual fund trust”) is a member of a partnership that disposes of Units.

RISK FACTORS

There are risks associated with the Subscription Receipts being distributed under the Offering and the Units issuable upon the exchange of the Subscription Receipts. In addition to the risks described herein, reference is made to the risks described in the Short Form Prospectus including Calloway’s annual information form and management’s discussion and analysis which are incorporated therein by reference. See “Documents Incorporated by Reference”.

Risks Related to the Offering

Trading Market for Subscription Receipts

There is currently no trading market for the Subscription Receipts. Calloway has applied to have the Subscription Receipts listed on the TSX. There can be no assurance that an active or liquid market for the Subscription Receipts will develop following the completion of the Offering, or if developed, that such a market will be sustained. If an active public market does not develop or is not maintained, investors may have difficulty selling their Subscription Receipts.

Holders of Subscription Receipts will assume the same risk as though they had invested directly in Units on the closing date of the Offering.

The Subscription Receipts will be automatically exchanged for Units on the Acquisition Closing upon notice thereof by Calloway to the Subscription Receipt Agent. Calloway may, in its sole discretion, waive certain closing conditions in its favour in the Transaction Agreements or agree to amend the Transaction Agreements and consummate the Acquisition on terms that may be different from those described in this prospectus supplement, subject to the Underwriters’ consent in certain circumstances. As a result, the expected benefits of the Acquisition may not be fully realized. As a consequence, holders of Subscription Receipts will essentially assume the same risk as though they had invested directly in Units on the closing date of the Offering.

Risks Related to the Acquisition

Possible Failure to Complete the Acquisition

The closing of the offering of Subscription Receipts will occur before the Acquisition Closing. Completion of the Acquisition is subject to the satisfaction of certain closing conditions, including regulatory and Unitholder approval. There is no certainty, nor can Calloway provide any assurance, that these conditions will be satisfied and, as such, there is no assurance that the Acquisition will be completed, or if completed, will be on terms that are exactly the same as discussed in this prospectus supplement. If regulatory and Unitholder approval of the Acquisition is not obtained or the Acquisition Closing does not take place as contemplated, Calloway will not benefit from the Acquisition, will have incurred significant management time and expenses and could suffer adverse consequences, including the loss of investor confidence.

Potential Undisclosed Liabilities Associated with the Acquisition

Calloway will assume liabilities arising out of or related to the Acquisition Properties and the Platform Subject Assets and will agree to indemnify the Property Vendors and SCMI for, among other things, such liabilities. Calloway may assume unknown liabilities that could be significant. Although Calloway has conducted a comprehensive due diligence review of each of the Acquisition Properties and the Platform Subject Assets, there may be liabilities, including under applicable environmental laws, that Calloway failed to discover or was unable to quantify in its due diligence review and Calloway may not be fully indemnified for some or all of these liabilities under the Property Agreements and the Platform Purchase Agreement. Certain of the Acquisition Properties may contain minor ground contamination or other residual pollution which Calloway's environmental consultant has presented and quantified as remote and immaterial. The subsequent discovery or quantification of any other material liabilities (including if the assessment of the environmental condition of the Acquisition Properties turns out to be incorrect) could have a material adverse effect on Calloway's business, financial condition or future prospects, which could include diminution in the value of the affected assets or the inability to finance or dispose of the affected assets on acceptable terms.

Limited Recourse for Breaches of Representations and Warranties

While Calloway is indemnified for breaches of representations and warranties contained in the Transaction Agreements, recourse for such breaches may be limited due to qualifications related to knowledge of the vendor, contractual and time limits on recourse under applicable laws, and the ability of the vendors to satisfy third-party claims. The inability to recover fully any significant liabilities incurred with respect to breaches of representations and warranties under the Transaction Agreements may have adverse effects on Calloway's financial position.

Inability to Satisfy Assumed Obligations

Upon completion of the Acquisition, Calloway will assume certain obligations and liabilities arising out of or related to the Platform Subject Assets. The Platform Subject Assets and Calloway's existing resources may not be sufficient to fulfill the obligations Calloway will be assuming. In particular, the failure to attract or retain a sufficient number of the SCMI employees to which employment offers are made following the Acquisition or the failure to integrate these employees with Calloway's existing employees could have an adverse effect on Calloway's ability to satisfy the obligations assumed in connection with the Acquisition.

Development Risks

If the Acquisition is completed, Calloway will be undertaking increased levels of direct development of its properties. Calloway's involvement in development activities will expose Calloway to those risks usually attributable to construction projects, which include: (i) construction or other unforeseen delays; (ii) cost overruns; (iii) the failure of tenants to occupy and pay rent in accordance with lease agreements; (iv) the inability to achieve projected rental rates or anticipated pace of lease-ups; and (v) an increase in interest rates during the life of the development or redevelopment. There is no guarantee that the expected 1.9 million square feet of retail development lands that Calloway will acquire pursuant to the Acquisition will be developed or that the approximate 1.6 million square feet portion expected to be developed for Calloway's account will be developed profitably.

Relationship with WCRI

Calloway has entered into an agreement with WCRI whereby Calloway may offer acquisition, development, construction project management, leasing and other property services to WCRI with respect to projects to be agreed upon and jointly owned in the future by Calloway and WCRI, conditional upon the completion of the Acquisition. Calloway, like SCMI, must remain an attractive and competitive joint venture co-owner and service provider. Calloway must find locations as SCMI has done in the past that are attractive to WCRI and its affiliates. There is no assurance that WCRI will participate in joint ventures with Calloway for future property development or that it or its affiliates will continue to develop and/or open locations at rates similar to that which they have done in the past. Any deterioration in Calloway's relationship with WCRI or a decision by WCRI either not to participate in future joint venture developments with Calloway or to participate in a materially lesser number of developments with Calloway than WCRI participated in the past with the SmartCentres group may have an adverse impact on anticipated profitability of the SmartCentres platform to Calloway and its prospective development pipeline.

Employment Risks

After giving effect to the Acquisition, Calloway will increase its employee base to approximately 300 employees. Calloway is currently co-located with SCMI so cultural integration may be less difficult than is the case in some acquisitions, however, there is no assurance that the progress of the integration of the two organizations will not disrupt operations of Calloway. There is no assurance that Calloway will undertake sufficient direct developments on its own or with co-owners to require the services of all Transferred Employees that are transferred to Calloway as a result of the Acquisition. Calloway will be exposed to severance liabilities based on past service if it is required to terminate the employment of any of the Transferred Employees or existing Calloway employees, and although not anticipated, any amounts in this regard are not considered to be material.

Use of Property Appraisals

Caution should be exercised in the evaluation and use of the property appraisals completed by Cushman. A property appraisal is an estimate of market value applying the appropriate judgment. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The appraisals are based on various assumptions of future expectations, and while the appraiser's internal forecasts for the applicable properties are considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

A publicly traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets.

Use of Valuation

Caution should be exercised in the evaluation and use of the Valuation. A valuation is an estimate of market value. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the market. The Valuation is based on various assumptions of future expectations and management forecasts, and while management's internal forecasts for the business, as may be adjusted by a valuator, are considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

Use of Fairness Opinion

The Fairness Opinion is directed only to the fairness, from a financial point of view, of the Acquisition Consideration. The Fairness Opinion does not address the relative merits of the Acquisition and as compared to other business strategies or transactions that might be available to Calloway or the underlying business decision of Calloway to effect the Acquisition. The Fairness Opinion does not constitute a recommendation by CIBC to any Unitholder as to how such Unitholder should vote or act with respect to any matters relating to the Acquisition.

Possible Failure to Realize Expected Returns on Acquisition

Acquisitions involve risks that could materially and adversely affect Calloway's business plan, including the failure of the Acquisition to realize the results Calloway expects. While the Special Committee and the Board, based on an analysis of accretion provided by management and professional advisors (as well as other information deemed appropriate and sufficient for such purposes, including the appraisal, the Valuations and the Fairness Opinion), believe the Acquisition will be accretive to Calloway's AFFO per unit and FFO per unit, such determination should not be regarded as a guarantee of future performance or results. If the Acquisition fails to realize the results that Calloway expects, including expectations as to development opportunities on the Acquisition Properties, as to future development projects and profitability of such developments, continued high occupancy rates and renewal rates or the general state of the economy and interest rate volatility, the Acquisition could have a material adverse effect on Calloway and its financial results.

Possible Failure to Acquire all Acquisition Properties

The Acquisition involves risks that could materially and adversely affect Calloway's business plan, including the failure to acquire all 24 properties under the Transaction Agreements. Calloway may not acquire all of

the Acquisition Properties described in this prospectus supplement; in particular, the Jonquière and Orleans properties, which are considered retail development properties by Calloway and may be subject to severance applications which are not expected to be completed by the time of Acquisition Closing. However, the Acquisition is not conditional upon the closing of the transactions contemplated in the Orleans Purchase Agreement or the Jonquière Offer to Purchase. The information contained in this prospectus supplement may not reflect the actual properties acquired pursuant to the Acquisition. See “The Acquisition – Overview of the Acquisition Properties”.

Non-Competition Agreement

Mitchell Goldhar, a Trustee and significant Unitholder, is subject to a non-competition agreement with respect to retail properties for a five-year period following the Acquisition Closing. Mr. Goldhar will not be subject to such non-competition with respect to his existing property interests and those of his family, which includes undeveloped lands, retail and open format shopping centre interests. Mr. Goldhar can also purchase retail properties subject to having first offered such opportunities to Calloway prior to pursuing those opportunities himself. Mr. Goldhar is not contractually obligated to remain Chair, a Unitholder, a trustee or advisor of Calloway. However, SCMI through Mr. Goldhar will provide certain consulting services in respect of the master planning and consulting services of Calloway’s mixed use developments. Mr. Goldhar will continue his existing joint venture co-ownership with WCRI with respect to any remaining SCRI/WCRI co-owned properties (although Calloway will provide services to such joint venture as an assignee of the existing SCMI platform services contracts), but, subject to the foregoing restrictions, is not precluded from future direct dealings with WCRI. See “The Acquisition – Non-Competition Agreement”.

Increased Exposure to Largest Tenant

After giving effect to the Acquisition, 26.9% of Calloway’s annual gross rental revenues will be generated from Wal-Mart entities, up from 24.1% as of December 31, 2014. Therefore, Calloway has increased the degree to which it is dependent on the sustainable operation of Walmart Supercentres in the locations leased from Calloway.

Canadian Tax-Related Risks

There can be no assurance that the laws and regulations and the administrative and assessing practices of the Canada Revenue Agency respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects unitholders.

The SIFT Rules will apply to a trust that is a SIFT or a partnership that is a SIFT. Calloway and the Calloway LPs will not be SIFTs for the purposes of these rules because Calloway currently qualifies and expects to continue to qualify for the REIT Exception and each of the Calloway LPs currently qualifies and expects to continue to qualify as an “excluded subsidiary entity” within the meaning of the Tax Act. Calloway expects to continue to qualify for the REIT Exception and each Calloway LP expects to continue to qualify as an “excluded subsidiary entity” after the Acquisition, however, no assurance can be given that Calloway will continue to qualify for the REIT Exception or that each Calloway LP will continue to qualify as an “excluded subsidiary entity”.

AUDITOR, TRANSFER AGENT AND REGISTRAR AND SUBSCRIPTION RECEIPT AGENT

The auditor of Calloway is PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants.

Computershare Trust Company of Canada at its principal office in Toronto, Ontario is the transfer agent and registrar for the Units and Computershare Trust Company of Canada at its principal office in Calgary, Alberta will be the Subscription Receipt Agent.

LEGAL MATTERS

Legal matters in connection with the issuance of the Subscription Receipts offered by this prospectus supplement will be passed upon at the date of closing of the Offering on behalf of Calloway by Osler, Hoskin & Harcourt LLP and on behalf of the Underwriters by McCarthy Tétrault LLP.

As of the date hereof, the partners and associates of Osler, Hoskin & Harcourt LLP, as a group, and McCarthy Tétrault LLP, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding units of Calloway.

EXPERTS

Cushman is named herein as providing the Appraisal. As at the date of this prospectus supplement, the designated professionals of Cushman, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding units of Calloway.

KPMG is named herein as providing the Valuation. As at the date of this prospectus supplement, the designated professionals of KPMG, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding units of Calloway.

CIBC is named herein as providing the Fairness Opinion. As at the date of this prospectus supplement, the designated professionals of CIBC, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding units of Calloway.

STATUTORY AND CONTRACTUAL RIGHTS OF WITHDRAWAL AND RECISSION APPLICABLE TO CANADIAN INVESTORS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment thereto contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

Under the Subscription Receipt Agreement, original purchasers of Subscription Receipts pursuant to the Offering will have a non-assignable contractual right of rescission, exercisable against Calloway following the issuance of the Units to such purchaser upon the exchange of the Subscription Receipts, to receive the Subscription Price paid for each such Subscription Receipt (including any Earned Interest and Deemed Interest) if this prospectus supplement or any amendment hereto contains a misrepresentation (within the meaning of the *Securities Act* (Ontario)), provided such remedy for rescission is exercised within 180 days of the closing of the Offering following which this contractual right of rescission will be null and void. This contractual right of rescission shall be subject to the defences, limitations and other provisions described under part XXIII of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers of Subscription Receipts under section 130 of the *Securities Act* (Ontario) or otherwise at law. This contractual right of rescission under the Subscription Receipt Agreement is only in connection with a misrepresentation (within the meaning of the *Securities Act* (Ontario)) and is not a right to withdraw from an agreement to purchase securities within two business days as provided in securities legislation in certain provinces and territories of Canada.

GLOSSARY

The following terms used in this prospectus supplement have the meanings set out below:

“5.37% Debentures” means Calloway’s \$150 million series B senior unsecured debentures due October 12, 2016 bearing interest at an annual rate of 5.37% per annum.

“Acquisition” means, collectively, the Platform Acquisition and the Property Acquisition.

“Acquisition Closing” has the meaning ascribed thereto under “The Acquisition – Overview”.

“Acquisition Closing Time” means the time of closing on the Acquisition Closing.

“Acquisition Consideration” means the consideration to be paid by Calloway pursuant to the Transaction Agreements.

“Acquisition Properties” means, collectively, the Other JV Properties, the PPI Properties and the WMJV Properties.

“Additional Special Voting Units” means those Special Voting Units issued by Calloway in connection with the Voting Top-Up Right.

“AFFO” means the adjusted funds from operation of Calloway.

“Agreement re: Undeveloped Lands” has the meaning ascribed thereto under “The Acquisition – Agreements Related to Undeveloped Lands”.

“allowable capital loss” has the meaning ascribed thereto in “Certain Canadian Federal Income Tax Considerations – Taxation of Holders of Units – Capital Gains and Capital Losses”.

“Amendment Resolutions” means the resolutions approving certain amendments to the Declaration of Trust in connection with the Acquisition.

“Appraisal” has the meaning ascribed thereto under “The Acquisition – Valuation – Definition of Fair Market Value”.

“Appraisal Standards” has the meaning ascribed thereto under “The Acquisition – Cushman Appraisal – Credentials of Cushman”.

“Aurora North Property Purchase Agreement” means the property purchase agreement dated the Execution Date between Calloway, LP IV, PPI and certain other SmartCentres Vendors.

“Basic Underwriters’ Fee” has the meaning ascribed thereto in “Description of the Subscription Receipts – Overview”.

“Benchmark OCR” has the meaning ascribed thereto under “The Acquisition – Cushman Appraisal – Summary of the Appraisal – Capitalization Rates for Income Producing Properties”.

“Board” means the board of trustees of Calloway.

“Calloway LP” has the meaning ascribed thereto in “Certain Canadian Federal Income Tax Considerations – Taxation of Limited Partnerships in which Calloway holds an Interest”.

“Calloway Management” means CMLP and CMLP II.

“Calloway Service Provider” means, collectively, Calloway and Calloway Management.

“**Capital Gains Refund**” has the meaning ascribed thereto in “Certain Canadian Federal Income Tax Considerations – Taxation of Calloway”.

“**CDS**” has the meaning ascribed thereto on the cover page of the prospectus supplement.

“**CEO**” means the Chief Executive Officer of Calloway.

“**CGCC**” has the meaning ascribed thereto under “The Acquisition – Governance and Investor Rights Agreement”.

“**CIBC**” has the meaning ascribed thereto on the cover page of the prospectus supplement.

“**CIBC Engagement Letter**” means the engagement letter dated October 29, 2014 between Calloway and CIBC.

“**Class B Type Units**” means Class B Units and other similar limited partnership units that are exchangeable for Units.

“**Class B Units**” means Class B units of subsidiary limited partnerships of Calloway, each of which will be convertible to Units.

“**Class C Units**” means class C units of subsidiary limited partnership interests of Calloway, each of which will be convertible into Class B Units of the subsidiary limited partnership.

“**CMLP**” means Calloway Management Limited Partnership.

“**CMLP II**” means Calloway Management Limited Partnership II.

“**Counsel**” means collectively, Osler, Hoskin & Harcourt LLP, counsel to Calloway, and McCarthy Tétrault LLP, counsel to the Underwriters.

“**Cushman**” means Cushman & Wakefield Ltd.

“**Deadline**” means July 31, 2015.

“**Declaration of Trust**” means the declaration of the trust of Calloway dated December 4, 2001, as most recently amended and restated as of December 29, 2014.

“**Deemed Interest**” has the meaning ascribed thereto on the cover page of the prospectus supplement.

“**Demand Registration Rights**” has the meaning ascribed thereto under “The Acquisition – Governance and Investor Rights Agreement”.

“**Development Services Agreement**” means the development services agreement to be entered into on Acquisition Closing between Calloway, Calloway Management, SCMI, SCRI and PPI.

“**Earned Interest**” has the meaning ascribed thereto on the cover page of the prospectus supplement.

“**Earn-Out Proceeds**” has the meaning ascribed thereto under “The Acquisition – Agreements Related to Undeveloped Lands”.

“**Elected Amount**” means the aggregate number of Class B Type Units set out on the Execution Date in each of the Transaction Agreements in satisfaction of the applicable purchase price set out in each such agreement.

“**Escrowed Funds**” has the meaning ascribed thereto on the cover page of the prospectus supplement.

“**Excess Land**” has the meaning ascribed thereto under “The Acquisition – Cushman Appraisal – Summary of the Appraisal – Valuation Methodology – The Excess Land”.

“**Exchange Agreements**” means the exchange and support agreements to be entered into on Acquisition Closing between Calloway and certain of Calloway’s subsidiary limited partnerships respecting, among other matters, future developments on certain of the Acquisition Properties and the exchange of Class B Units for Units.

“**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 therefor.

“**Execution Date**” means April 16, 2015.

“**Existing CGCC Rights**” has the meaning ascribed thereto under “The Acquisition – Amendments to Declaration of Trust – Changes to the Corporate Governance and Compensation Committee Composition”.

“**Existing Investment Committee Rights**” has the meaning ascribed thereto under “The Acquisition – Amendments to Declaration of Trust – Changes to the Investment Committee”.

“**Existing Properties**” means all real properties on Acquisition Closing currently owned by, or subject to an agreement of purchase or under an option to purchase by, Mitchell Goldhar, any of his relatives and/or any affiliates of Mitchell Goldhar or his relatives.

“**Existing Third Party Property**” means property owned by a third party in respect of which a Licensee, prior to the date of Acquisition Closing, granted a license or a right to such third party to use a Trade-Mark in connection with such property.

“**Existing Trustee Appointment Rights**” has the meaning ascribed thereto under “The Acquisition – Amendments to the Declaration of the Trust – Changes to the Trustee Appointment Rights of the Goldhar Entities.

“**Expanded CGCC Rights**” has the meaning ascribed thereto under “The Acquisition – Amendments to Declaration of Trust – Changes to the Corporate Governance and Compensation Committee Composition”.

“**Expanded Investment Committee Rights**” has the meaning ascribed thereto under “The Acquisition – Amendments to Declaration of Trust – Changes to the Investment Committee”.

“**Fairness Opinion**” means CIBC’s opinion, subject to the assumptions, limitations and qualifications set forth therein, as to whether, as of the date of such opinion, the Acquisition Consideration is fair, from a financial point of view, to Calloway.

“**Foreign Source Income**” means income of Calloway from a source in a country other than Canada.

“**Funds from Operations**” or “**FFO**” means cash provided by operating activities plus expenditures on deferred leasing costs, changes in non-cash operating items, amortization of acquisition date fair value adjustments and straight-lining of rents, less capital lease obligation interest, deferred unit compensation expense and amortization of deferred financing costs.

“**Goldhar Entities**” means Mitchell Goldhar, companies controlled by Mitchell Goldhar and affiliates of such companies.

“**Governance and Investor Rights Agreement**” means the governance and investor rights agreement to be entered into on Acquisition Closing between Calloway, Mitchell Goldhar, PPI, SCRI and certain other persons.

“**Holder**” has the meaning ascribed thereto in “Certain Canadian Federal Income Tax Considerations”.

“**Interested Party**” means each of Calloway and its subsidiaries, the Goldhar Entities (including PPI, SCRI and SCMI) or any of their respective associated entities or affiliated entities.

“**Investment Committee**” means Calloway’s Investment Committee.

“Investor Presentation” means the template version of the investor presentation of Calloway entitled “Calloway Real Estate Investment Trust - Transforming into a leading, fully-integrated real estate REIT with best-in-class capabilities” dated April 16, 2015, filed on SEDAR in connection with the Offering.

“IPP” has the meaning ascribed thereto under “The Acquisition – Cushman Appraisal – Summary of the Appraisal – Valuation Methodology – The Income Producing Retail Properties”.

“Jonquière Offer to Purchase” means the offer to purchase dated the Execution Date between Calloway, LP III, WCRI, SCRI and SCMI.

“KPMG” means KPMG LLP.

“Licensees” means, collectively, Mitchell Goldhar, SCRI, SCMI, PPI and Penguin Pick-up Limited Partnership, collectively.

“LP I” means Calloway Limited Partnership.

“LP III” means Calloway Limited Partnership III.

“LP IV” means Calloway Limited Partnership IV.

“Marketing Materials” means collectively, the Investor Presentation and the Term Sheet.

“Meeting” means the annual general and special meeting of the Voting Unitholders.

“MG Entities” has the meaning ascribed thereto under “The Acquisition – Amendments to Declaration of the Trust – Changes to the Investor Rights of SmartCentres”.

“MG Entities Ownership Requirements” means the minimum ownership requirements in respect of the various rights and privileges of the MG Entities as further described under “Amendments to Declaration of Trust”.

“MG Entities Representative” means a representative of the MG Entity which then beneficially owns the largest number of Units and Special Voting Units (as shown on SEDI or in the absence of such filing, the last such MG Entity as shown on SEDI).

“MI 61-101” means the Multilateral Instrument 61-101- *Protection of Minority Security Holders in Special Transactions*.

“New CGCC Powers” has the meaning ascribed thereto under “The Acquisition – Governance and Investor Rights Agreement”.

“New CGCC Rights” has the meaning ascribed thereto under “The Acquisition – Governance and Investor Rights Agreement”.

“New LPs” means LP IV, Oshawa South LP, Calloway Oshawa Taunton LP and Calloway Boxgrove Limited Partnership.

“New Trustee Appointment Rights” has the meaning ascribed thereto under “The Acquisition – Amendments to the Declaration of the Trust – Changes to the Trustee Appointment Rights of the Goldhar Entities”.

“NOI” has the meaning ascribed thereto under “The Acquisition – Valuation – Platform Subject Assets – Projected Cash Flows”.

“Non-Competition Agreement” means the non-competition agreement to be entered into on Acquisition Closing between Mitchell Goldhar, PPI, SCRI, SCMI, Calloway, Calloway Management and certain other Calloway subsidiaries.

“Non-Restricted Properties” means (a) the Existing Properties; (b) certain real property adjacent to the Existing Properties that is acquired by Mitchell Goldhar or any of his affiliates after Acquisition Closing; (c) any real property which Mitchell Goldhar or his affiliates acquire in exchange for any Existing Property, provided that any such real property acquired in exchange for such Existing Property is not within a radius of three kilometres of a property then owned by Calloway; (d) any real property owned on Acquisition Closing by persons (other than Retrocom or any of its affiliates) in which Mitchell Goldhar or any of his affiliates holds an investment; (e) any real property owned on Acquisition Closing or acquired after Acquisition Closing by Retrocom or any of its affiliates; (f) any real property acquired for the sole purpose of operating a location for a specified non-realty business; (g) any real property that is subject to earnout rights; (h) any Restricted Property in respect of which Calloway decides not to pursue under the right of first offer provided for in the Non-Competition Agreement; (i) any Non-Retail Property in respect of which Calloway does not accept, or is deemed to have not accepted, an offer to purchase such Non-Retail Property; and (j) any real property, or an interest therein, inherited by Mitchell Goldhar.

“Non-Retail Property” means real property acquired during the Restricted Period that would otherwise have been a Restricted Property but for the fact that such real property is not zoned for retail use (excluding ancillary retail use) at the time of such acquisition.

“Oakville Agreements to Lease” means the agreements to lease dated the Execution Date between Calloway, LP I and, as applicable, PPI and certain Third Party Owners as lessors for the Oakville SmartCentre property.

“OCR” has the meaning ascribed thereto under “The Acquisition – Cushman Appraisal – Summary of the Appraisal – Capitalization Rates for Income Producing Properties”.

“Offering” has the meaning ascribed thereto on the cover page of the prospectus supplement.

“Orleans Purchase Agreement” means the property purchase agreement dated the Execution Date between Calloway, LP III, WCRI, SCRI and SCMI for the Orleans SmartCentres property.

“Other JV Consideration” has the meaning ascribed thereto under “The Acquisition – The Property Acquisition”.

“Other JV Owners” means, collectively, PPI, certain SmartCentres Vendors and the Third Party Owners.

“Other JV Properties” means four shopping centre properties owned by co-ownership joint ventures between the Other JV Owners.

“Other JV Property Agreements” means the property purchase or lease agreements in respect of the Other JV Properties dated the Execution Date between Calloway, certain subsidiary limited partnerships of Calloway and the Other JV Owners.

“Over-Allotment Option” has the meaning ascribed thereto on the cover page of the prospectus supplement.

“Participating Interests” means equity or participating securities or securities convertible or exchangeable into equity or participating securities.

“Penguin Group” means, collectively, SCMI, SCRI and PPI and their respective affiliates.

“Piggy-Back Registration Rights” has the meaning ascribed thereto under “The Acquisition – Governance and Investor Rights Agreement”.

“Plans” means collectively, RRSPs, RRIFs, registered disability savings plans, deferred profit sharing plans, TFSA and registered education savings plans.

“Platform Acquisition” has the meaning ascribed thereto under “The Acquisition – Overview”.

“Platform Claims Amount” has the meaning ascribed thereto under “The Acquisition – The Platform Acquisition”.

“**Platform Purchase Agreement**” means the platform purchase agreement dated the Execution Date between Calloway, Calloway Management and SCMI.

“**Platform Purchase Price**” has the meaning ascribed thereto under “The Acquisition – The Platform Acquisition”.

“**Platform Subject Assets**” means certain assets of SCMI related to its platform for acquiring, developing, construction project managing and leasing open format retail properties as specified in the Platform Purchase Agreement.

“**Post-Closing Purchase Agreements**” means the Jonquière Offer to Purchase and the Orleans Property Purchase Agreement.

“**PPI**” means Penguin Properties Inc.

“**PPI Properties**” means a portfolio of four shopping centre properties owned by PPI.

“**PPI Property Purchase Agreement**” means the property purchase agreement dated the Execution Date between Calloway, LP IV, PPI and SCMI.

“**Pre-Emptive Rights**” has the meaning ascribed thereto under “The Acquisition – Governance and Investor Rights Agreement”.

“**Property Acquisition**” has the meaning ascribed thereto under “The Acquisition – Overview”.

“**Property Adjustments**” has the meaning ascribed thereto under “The Acquisition – Cushman Appraisal – Summary of the Appraisal – Capitalization Rates for Income Producing Properties”.

“**Property Claims Amounts**” has the meaning ascribed thereto under “The Acquisition – The Property Acquisition”.

“**Property Portfolio**” means the properties owned by Calloway and its subsidiaries.

“**Property Agreements**” means, collectively, the PPI Property Purchase Agreement, the WMJV Property Purchase Agreement and the Other JV Property Purchase Agreements.

“**Property Vendors**” means the vendors under the Property Agreements.

“**Proposed Amendments**” means all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this prospectus supplement.

“**Public Unitholders**” means the Unitholders other than the Excluded Voting Unitholders.

“**REIT Exception**” has the meaning ascribed thereto in “Certain Canadian Federal Income Tax Considerations - Status of Calloway - SIFT Rules and REIT Exception – Application to Calloway.

“**REITs**” means real estate investment trusts.

“**Requesting Unitholder**” has the meaning ascribed thereto under “The Acquisition – Governance and Investor Rights Agreement”.

“**Restricted Activities**” means (a) any investment in, or any acquisition of, development of or management of, a Restricted Property or interest therein, or (b) any investment in, loan of funds to, or guarantee of the debts or obligations of, any person (except Calloway or its affiliates) who carries on or is engaged in the business of investing in, or acquiring, developing or managing, a Restricted Property or interest therein for retail use (excluding ancillary uses).

“**Restricted Parties**” means Mitchell Goldhar, PPI, SCRI and SCMI and any affiliate of the foregoing, excluding Retrocom and its subsidiaries.

“**Restricted Period**” means the period from the date of Acquisition Closing until the later of: (a) the fifth anniversary of the date of Acquisition Closing (provided that, (i) if the Voting Top-Up Right is no longer applicable as a result of the actions of Calloway and (ii) as at the time the Voting Top-Up Right is no longer applicable, Mitchell Goldhar and his affiliates held such number of Units that is at least 50% of the number of Units held by Mitchell Goldhar and his affiliates immediately following the Acquisition Closing, such date shall instead be the third anniversary of the Acquisition Closing); and (b) the date on which the Voting Top-Up Right is no longer applicable.

“**Restricted Property**” means real property which is zoned for retail use (excluding any ancillary retail uses), and (a) is in Canada; or (b) is in the United States and has a Walmart store being operated at such real property or on a real property that is adjacent to such real property; but excluding certain agreed upon Non-Restricted Properties.

“**Retrocom**” means Retrocom Real Estate Investment Trust.

“**Rezoning Restricted Period**” means, in respect of a Non-Retail Property, the period from Acquisition Closing until the later of: (a) the expiry of the Restricted Period and (b) the second anniversary of the closing date for the acquisition by Mitchell Goldhar or his affiliates of such Non-Retail Property.

“**RRIFs**” means registered retirement income funds.

“**RRSPs**” means registered retirement savings plans.

“**SCMI**” means SmartCentres Management Inc.

“**SCMI Master Planning and Other Services Agreement**” means the master planning and other services agreement to be entered into on Acquisition Closing between Calloway, Calloway Management and SCMI.

“**SC Nominee**” has the meaning ascribed thereto in “The Acquisition – Governance and Investor Rights Agreement”.

“**SCRI**” means SmartCentres Realty Inc.

“**SCRI Purchase Price**” has the meaning ascribed thereto under “The Acquisition – The Property Acquisition”.

“**Shadow Anchor**” in respect of a property means an anchor tenant on a property that is adjacent to the first property.

“**Shopping Centre Properties**” has the meaning ascribed thereto under “The Acquisition – Overview of the Acquisition Properties”.

“**Short Form Prospectus**” has the meaning ascribed thereto under “Documents Incorporated by Reference”.

“**SIFT**” has the meaning ascribed thereto in “Certain Canadian Federal Income Tax Considerations - Status of Calloway - SIFT Rules and REIT Exception – Application to Calloway”.

“**SIFT Rules**” has the meaning ascribed thereto in “Certain Canadian Federal Income Tax Considerations - Status of Calloway - SIFT Rules and REIT Exception – Application to Calloway”.

“**SmartCentres Vendors**” means PPI, SCRI, SCMI and certain other MG Entities.

“**Special Committee**” means the special committee of independent trustees consisting of Garry Foster (chair), Kevin Pshebniski and Michael Young established by the Board to assess the Acquisition.

“**Special Voting Unitholders**” means the holders of Special Voting Units.

“**Special Voting Units**” means a special voting unit of Calloway.

“**Subscription Price**” has the meaning ascribed thereto on the cover page of the prospectus supplement.

“**Subscription Receipt Adjustment Payment**” means an amount per Subscription Receipt equal to the amount per Unit of any cash distributions made by Calloway for which record dates have occurred during the period from and including the closing of the Offering to and including the date immediately preceding the date upon which Units are issued or deemed to be issued pursuant to the Subscription Receipt Agreement.

“**Subscription Receipt Agent**” has the meaning ascribed thereto on the cover page of the prospectus supplement.

“**Subscription Receipt Agreement**” means the subscription receipt agreement governing the terms of the Subscription Receipts to be dated the date of closing of the Offering among Calloway, CIBC, on behalf of the Underwriters, and the Subscription Receipt Agent.

“**Subscription Receipt Certificate**” means the form of certificate representing the Subscription Receipts registered in the name of CDS or its nominee and held by, or on behalf of, CDS, as depository of the Subscription Receipt certificates.

“**Subscription Receipts**” has the meaning ascribed thereto on the cover page of the prospectus supplement.

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

“**taxable capital gain**” has the meaning ascribed thereto in “Certain Canadian Federal Income Tax Considerations – Taxation of Holders of Units – Capital Gains and Capital Losses”.

“**Term Sheet**” means the template version of the term sheet for the Offering dated April 16, 2015, filed on SEDAR in connection with the Offering.

“**Termination Event**” has the meaning ascribed thereto on the cover page of the prospectus supplement.

“**TFSAs**” means tax-free savings accounts.

“**Third Party Owners**” means the vendors or lessors under the Other JV Property Purchase Agreements that are not SmartCentres Vendors.

“**Trade-Mark**” means, collectively, the SmartCentres’ group trade-marks that Calloway is purchasing as part of the Platform Purchase Agreement and any trade-marks registered by Calloway after the Acquisition Closing that are similar to the purchased trade-marks.

“**Trade-Mark License Agreement**” means the trade-mark license agreement to be entered into on Acquisition Closing by CMLP and the Licensees.

“**Transaction Agreements**” means, collectively, the Platform Purchase Agreement and the Property Agreements.

“**Transaction Resolution**” means the resolution approving the Acquisition and all matters related thereto.

“**Transferred Employees**” means those employees of SCMI who accept the offers of employment from an affiliate of Calloway.

“**Trustees**” means the trustees from time to time of Calloway.

“**TSX**” has the meaning ascribed thereto on the cover page of the prospectus supplement.

“**Underwriters**” has the meaning ascribed thereto on the cover page of the prospectus supplement.

“**Underwriting Agreement**” has the meaning ascribed thereto under “Plan of Distribution”.

“**Unitholders**” means the holders of Units.

“**Units**” means Units of Calloway.

“**U.S. Securities Act**” has the meaning ascribed thereto on the cover page of the prospectus supplement.

“**Valuation**” has the meaning ascribed thereto under “The Acquisition – Valuation”.

“**Valuation Date**” means April 15, 2015.

“**Voting Top-Up Right**” means the right of the Goldhar Entities pursuant to Section 6.1.5 of the Declaration of the Trust to be issued such number of additional Special Voting Units which will entitle the Goldhar Entities to cast 25% of the votes at a meeting of the Voting Unitholders.

“**Voting Unitholders**” means the Unitholders and the Special Voting Unitholders.

“**Voting Units**” means the Special Voting Units and Units.

“**WCRI**” means Wal-Mart Canada Realty Inc.

“**WCRI Purchase Price**” has the meaning ascribed thereto under “The Acquisition – The Property Acquisition”.

“**WMJV Properties**” means a portfolio of 13 shopping centre properties and one retail development property owned by a joint venture between WCRI and SCRI and WCRI’s interest in one retail development property of the joint venture.

“**WMJV Property Purchase Agreement**” means the property purchase agreement dated the Execution Date between Calloway, LP III, WCRI, SCRI and SCMI.

CERTIFICATE OF THE UNDERWRITERS

Dated: April 20, 2015

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

CIBC WORLD MARKETS INC.

By: (Signed) JEFF APPLEBY

BMO NESBITT BURNS INC.

By: (Signed) JONATHAN LI

TD SECURITIES INC.

By: (Signed) ARMEN FARIAN

RBC DOMINION SECURITIES INC.

By: (Signed) WILLIAM WONG

SCOTIA CAPITAL INC.

By: (Signed) BRYCE STEWART

DESJARDINS SECURITIES INC.

By: (Signed) MARK EDWARDS

NATIONAL BANK FINANCIAL INC.

By: (Signed) ANDREW WALLACE

CANACCORD GENUITY CORP.

By: (Signed) JUSTIN BOSA

RAYMOND JAMES LTD.

By: (Signed) LUCAS ATKINS

GMP SECURITIES L.P.

By: (Signed) ANDREW KIGUEL