

This term sheet is not, and under no circumstances is it to be construed as, a prospectus, offering memorandum or advertisement or public offering of the Debentures. The Debentures will not be listed on any securities exchange and there will be no market for such securities. The Debentures have not been and will not be qualified for sale to the public under applicable securities laws in Canada and, accordingly, any offer and sale of the Debentures in Canada will be made on a basis which is exempt from the prospectus requirements of such securities laws. This term sheet is submitted on a confidential basis solely in connection with the consideration of the purchase of the securities described herein in a private placement and its use for any purpose other than to evaluate an investment in the Debentures described herein is prohibited. This document is not, and under no circumstances is to be construed as, an offering for sale of Debentures in the United States of America or in its territories or possessions thereof or to or for the account or benefit of any U.S. person. This term sheet does not constitute a solicitation or offer in any jurisdiction where it is unlawful to so do it. Resale of the Debentures will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions.



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**SmartCentres Real Estate Investment Trust
Series U Senior Unsecured Debentures
Final New Issue Terms and Conditions**

December 18, 2019

The following is a brief summary of certain attributes and characteristics of the Series U Debentures (as defined below) which does not purport to be complete. For full particulars, reference is made to the indenture for the Series U Debentures providing for, among other things, the creation and issuance of the Series U Debentures. Should any conflict arise between the following summary and the indenture, the terms of the indenture will govern.

There is no market through which the securities may be sold, and purchasers may not be able to resell the securities purchased under the term sheet. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation.

Issuer: SmartCentres Real Estate Investment Trust (the “**REIT**”)

Issue: Series U Senior Unsecured Debentures (the “**Series U Debentures**” or “**the Debentures**”) to be issued under the September 22, 2005 indenture between the REIT and Computershare Trust Company of Canada (the “**Indenture**”) as supplemented by a supplemental indenture to be dated the Closing

	Date (as defined below)
Credit Ratings¹:	DBRS: BBB(high) (stable)
Issue Size:	\$450,000,000
Maturity:	December 20, 2029
Spread:	+180 bps vs. the interpolated Government of Canada Curve (2.25% Government of Canada bond due June 1, 2029 and 5.75% Government of Canada bond due June 1, 2033)
	+180.8 bps (including a 0.8 bps curve adjustment) vs. the 2.25% Government of Canada bond due June 1, 2029 (priced at \$104.620, to yield 1.718%)
	The Spread shows the basis point difference between the yield on the Series U Debentures and the yield on the specified Government of Canada bond of a similar maturity to the Series U Debentures. The Spread is the customary method for benchmarking yields on Canadian investment grade debt instruments issued in Canada. Information about the Spread was obtained from public sources and has not been verified by the REIT or the Agents. Investors are cautioned to not put undue reliance on the Spread in making an investment decision.
Price:	\$100.000
Yield:	3.526%
Coupon:	Fixed at 3.526% per annum payable in equal semi-annual installments in arrears on June 20 and December 20 in each year until the Maturity Date, commencing on June 20, 2020.
Form:	Private placement to “accredited investors” (who are not individuals and that are “permitted clients”) in each of the Provinces of Canada.
Use of Proceeds:	The REIT intends to use the net proceeds of the offering to (i) repay outstanding bank debt, (ii) repay property-level secured debt, (iii) fund a potential property acquisition to facilitate mixed use development (approximately \$109 million), and (iv) for

¹ A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

general trust purposes.

Closing Date: December 20, 2019 or as mutually agreed between the Agents and the REIT (the “**Closing Date**”).

Redemption: Prior to September 20, 2029 (the “**Par Call Date**”) the Series U Debentures are redeemable at the option of the REIT, in whole or in part upon payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. In the event that the REIT elects to redeem the Series U Debentures in whole or in part on or after the Par Call Date the redemption price shall be par together with accrued and unpaid interest to the date fixed for redemption.

“Canada Yield Price” means a price equal to the price of the Series U Debentures calculated to provide a yield to the Par Call Date equal to the Government of Canada Yield (to be determined on the date the REIT gives notice of redemption) plus 0.45%.

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

Rank: The Series U Debentures will be direct unsecured obligations of the REIT and will rank equally and rateably with all other present and future unsecured and unsubordinated indebtedness of the REIT.

Guarantee: The Series U Debentures will be guaranteed by the Wholly-Owned Material Subsidiaries (as defined in the Indenture) of the REIT. All such current and future Material Subsidiaries will provide a guarantee of the Series U Debentures. In the case of default by the REIT, the Indenture Trustee will, subject to a supplemental indenture governing the Series U Debentures (the “**Supplemental Indenture**”), be entitled to seek redress from such Wholly-Owned Material Subsidiaries for the guaranteed obligations in the same manner and upon the same terms that it may seek to enforce the obligations of the REIT. These guarantees

are intended to eliminate structural subordination, which arises as a consequence of the REIT's assets being held primarily in various subsidiaries. A guarantor may be released from its guarantee in certain circumstances where it no longer remains a majority-owned Subsidiary of the REIT.

Resale Restrictions:

The Debentures will be subject to transfer and resale restrictions in Canada and the certificates representing the Debentures (or the relevant ownership statement under a direct registration system or other book-entry system) will bear the following legend and this document also serves as notice to each purchaser of the Debentures of the transfer and resale restrictions described in the following legend:

“UNLESS PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE APRIL 21, 2020.”

There is currently no secondary market for the Debentures. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of the Debentures with liquidity for their investment or that it will continue for the life of the Debentures. Accordingly, purchasers of the Debentures may be required to bear the financial risk of investing in the Debentures until the applicable Maturity Date.

Relationship Between the REIT and the Agents:

Each of Scotia Capital Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., CIBC World Markets Inc., TD Securities Inc., Desjardins Securities Inc. and HSBC Securities (Canada) Inc. is a subsidiary of a financial institution which is a lender to the REIT under its operating credit facility. Certain of such institutions also have construction financing facilities with the REIT and its subsidiaries. Each of Scotia Capital Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., CIBC World Markets Inc., TD Securities Inc. and Desjardins Securities Inc. is a subsidiary of a financial institution which is a mortgage lender to the REIT. The REIT intends to use approximately \$311 million of the proceeds of the Offering to repay outstanding indebtedness for which affiliates of these Agents are the lenders. See “Use of Proceeds”. Consequently, the REIT may be considered to be a “connected issuer” of such Agents under applicable Canadian securities legislation.

Certain of the credit facilities and the mortgages referred to above are secured by certain assets of the REIT. The agreements

governing such indebtedness contain representations and covenants, restrictions and events of default that are customary for such agreements, including restrictions on the REIT relating to additional indebtedness, liens and encumbrances and adherence to specified financial covenants. As of the date of this Term Sheet, the REIT is in compliance with the terms of such agreements. Except as disclosed in the public filings of the REIT, there has been no material change in the value of the security granted to the financial institutions pursuant to such agreements or in the financial position of the REIT since the indebtedness under these credit facilities and mortgages were incurred. Each of the Agents has advised REIT that the decision to participate in this offering was made independently of the financial institutions and the financial institutions had no influence as to the determination of the terms of the Debentures. None of the Agents will receive any benefit in connection with this offering other than its share of the Agents' fee payable by REIT.

CUSIP / ISIN:

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Syndicate:

Scotia Capital Inc. (Joint-Bookrunner & Joint-Lead)
 RBC Dominion Securities Inc. (Joint-Bookrunner & Joint-Lead)
 BMO Nesbitt Burns Inc. (Joint-Bookrunner & Joint-Lead)
 National Bank Financial Inc. (Joint-Bookrunner & Joint-Lead)
 CIBC World Markets Inc. (Joint-Bookrunner & Joint-Lead)
 TD Securities Inc. (Joint-Bookrunner & Joint-Lead)
 Desjardins Securities Inc. (Co-Manager)
 Canaccord Genuity Corp. (Co-Manager)
 Raymond James Ltd. (Co-Manager)
 Casgrain & Company Ltd (Co-Manager)
 HSBC Securities (Canada) Inc. (Co-Manager)
 GMP Securities (Co-Manager)
 Industrial Alliance Securities Inc. (Co-Manager)

**Deemed Representation
by Purchasers:**

By purchasing a Debenture, each purchaser will be deemed to have made the representations and consented to the matters set out in the attached Schedule A.

***Key Series U Debenture
Indenture Covenants:***

Consolidated EBITDA/
Consolidated Interest

The REIT will maintain a ratio of Consolidated EBITDA to Consolidated Interest Expense of not less than 1.65 to 1.

Expense:

Adjusted Unitholders'
Equity:

The REIT will maintain at all times, minimum Adjusted Unitholders' Equity of at least \$500 million.

Restrictions on
Indebtedness:

The REIT will not incur, or permit any Subsidiary to incur, any Indebtedness, unless the quotient (expressed as a percentage) obtained by dividing Consolidated Indebtedness by Aggregate Assets, calculated on a pro forma basis as described below (the "Indebtedness Percentage"), would be less than or equal to 65%.

The Indenture will provide that the Indebtedness Percentage will be calculated on a pro forma basis as at the date of the REIT's most recently published balance sheet (the "Balance Sheet Date") giving effect to the incurrence of the Indebtedness to be incurred and the application of the proceeds therefrom and to any other event that has increased or decreased Consolidated Indebtedness or Aggregate Assets since the Balance Sheet Date to the date of calculation.

For purposes hereof:

"Adjusted Unitholders' Equity" of the REIT, at any time, means the aggregate of the Carrying Value of Equity plus (i) the aggregate of the Carrying Values of the (a) earnout options, (b) deferred unit plan, (c) limited partnership units and (d) conversion feature of convertible debentures, to the extent such items are classified as liabilities; and (ii) current and deferred income tax liabilities, if any; less/plus the excess/shortfall between (a) the Carrying Value of investment properties presented on the consolidated balance sheet and (b) the Cost Value of investment properties presented on the consolidated balance sheet.

"Aggregate Assets" of the REIT, at any time, means the aggregate of (i) the total Carrying Value of the assets of the REIT plus (ii) accumulated amortization on property, plant and equipment; less (iii) the Carrying Value of goodwill; less/plus (iv) the excess/shortfall between (a) the Carrying Value of investment properties presented on the consolidated balance sheet and (b) the Cost Value of investment properties presented on the consolidated balance sheet.

"Capital Lease Obligation" of any person means the obligation of

such person, as lessee, to pay rent or other payment amounts under a lease of real or personal property which is required to be classified and accounted for as a capital lease or a liability on a consolidated balance sheet of such person in accordance with GAAP.

“Carrying Value” means the amounts determined in accordance with GAAP.

“Consolidated EBITDA” of the REIT for any period means Consolidated Net Income increased by the sum of (i) Consolidated Interest Expense, excluding interest that has been capitalized on projects that are under development or held for future development, for such period, (ii) distributions on deferred units and limited partnerships classified as liabilities on the balance sheet of the REIT for such period, (iii) income tax expense for such period, (iv) amortization of property, plant and equipment for such period, (v) amortization of tenant incentives for such period, (vi) amortization of direct leasing costs for such period, (vii) fair value loss on revaluation of investment properties for such period, (viii) fair value loss on financial instruments for such period, and (ix) transaction costs in respect of business combinations; decreased by the sum of (x) fair value gain on revaluation of investment properties for such period, (xi) fair value gain on financial instruments for such period, (xii) income tax recovery; and increased/decreased as appropriate by (xiii) other non-cash items changing Consolidated Net Income in determining Consolidated Net Income for such period; all determined on a consolidated basis in accordance with GAAP.

“Consolidated Indebtedness” of the REIT as at any date means the Carrying Value of consolidated Indebtedness of the REIT as at such date determined, except as otherwise expressly provided in the ninth supplemental indenture or in the Trust Indenture, in accordance with GAAP.

“Consolidated Interest Expense” of the REIT for any period means the aggregate amount of interest expense of the REIT in respect of Indebtedness, Capital Lease Obligations, the original issue discount of any Indebtedness issued at a price less than the face amount thereof paid, accrued or scheduled to be paid or accrued by the REIT during such period and, to the extent interest

has been capitalized on projects that are under development or held for future development during the period, the amount of interest so capitalized, all as determined on a consolidated basis in accordance with GAAP (provided that, notwithstanding its presentation under GAAP, (i) all interest expense of the REIT in respect of convertible debt Indebtedness will be included (without duplication) in determining Consolidated Interest Expense and (ii) all interest expense determined in accordance with GAAP in respect of distributions on deferred units and limited partnership units classified as liabilities on the balance sheet of the REIT and distributions on non-controlling interests will be excluded in determining Consolidated Interest Expense).

“Consolidated Net Income” of the REIT for any period means the net income (loss) of the REIT for such period determined on a consolidated basis in accordance with GAAP, excluding any gain or loss (net of any tax impact) attributable to the sale or other disposition of any asset of the REIT, other than the sale or disposition of investment properties specifically acquired and held for resale.

“Cost Value” of investment properties means the sum of (a) the original cost of investment properties, (b) the additional costs recorded in respect of subsequent expenditures eligible for capitalization under GAAP, and (c) less the original and additional costs of parts of such investment properties disposed or otherwise derecognized, for investment properties included on the consolidated balance sheet; all determined on a consolidated basis in accordance with GAAP. For greater certainty, for purposes of this definition, the cost of investment properties includes initial direct leasing costs that are added to investment properties under GAAP.

“Equity” means, the residual between total assets and total liabilities determined in accordance with GAAP.

“GAAP” means, as at any date of determination, generally accepted accounting principles in effect in Canada as of the date of the Supplemental Indenture that are applicable to the REIT.

“Indebtedness” of any person means (without duplication), on a consolidated basis, (i) any obligation of such person for borrowed

money (including, for greater certainty, the full principal amount of convertible debt, notwithstanding its presentation under GAAP), (ii) any obligation of such person incurred in connection with the acquisition of property, assets or businesses, (iii) any obligation of such person issued or assumed as the deferred purchase price of property, (iv) any Capital Lease Obligation of such person, and (v) any obligations of the type referred to in clauses (i) through (iv) of another person, the payment of which such person has guaranteed or for which such person is responsible or liable; provided that, for the purpose of clauses (i) through (v) (except in respect of convertible debt, as described above), an obligation will constitute Indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of such person in accordance with GAAP. Obligations referred to in clauses (i) through (iii) exclude (a) trade accounts payable, (b) distributions payable to unitholders of the REIT or limited partners of subsidiaries of the REIT, (c) accrued liabilities arising in the ordinary course of business which are not overdue or which are being contested in good faith, (d) indebtedness with respect to the unpaid balance of installment receipts, where such indebtedness has a term not in excess of 12 months, (e) intangible liabilities, (f) deferred revenues, (g) limited partnership units of subsidiaries, (h) deferred units classified as liabilities, (i) earnout options classified as liabilities, and (j) the conversion feature of convertible debentures classified as liabilities, all of which will be deemed not to be Indebtedness for the purposes of this definition.

Change of Control
Provisions:

If a Change of Control Triggering Event occurs with respect to the Series U Debentures, unless the REIT has exercised its optional right to redeem all of the Series U Debentures, the REIT will be required to make an offer to repurchase all or, at the option of the holder of the Series U Debentures, any part (equal to \$1,000 or an integral multiple thereof) of each holder's Series U Debentures pursuant to the offer described below (the "Change of Control Offer") on the terms set forth in the Indenture. In the Change of Control Offer, the REIT will be required to offer payment in cash equal to 101% of the aggregate outstanding principal amount of Series U Debentures to be repurchased together with accrued and unpaid interest on such Series U Debentures to, but excluding, the date of repurchase.

Within 30 days following any Change of Control Triggering Event, the REIT will be required to give written notice to holders of the Series U Debentures describing the transaction or

transactions that constitute the Change of Control Triggering Event and offering to repurchase the Series U Debentures on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is given. The REIT must comply with the requirements of applicable securities laws and regulations in connection with the repurchase of Series U Debentures as a result of a Change of Control Triggering Event. To the extent that the provisions of any such applicable securities laws and regulations conflict with the Change of Control provisions, the REIT will be required to comply with such laws and regulations and will not be deemed to have breached its obligations to repurchase the Series U Debentures by virtue of such conflict.

The REIT will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes such an offer substantially in the manner, at the times and in compliance with the requirements for a Change of Control Offer (and for at least the same purchase price payable in cash) and such third party purchases all Series U Debentures properly tendered and not withdrawn under its offer.

“Change of Control” means the acquisition by a Person who is not an Affiliate of the REIT, or group of such Persons acting jointly or in concert, directly or indirectly, of units of the REIT (and/or securities convertible into such units) representing (on a diluted basis, but only giving effect to the conversion or exercise of convertible or exchangeable securities held by such Person or group of Persons) greater than 50% of the units of the REIT

“Affiliate” of any person means an affiliated company of such person, such term having the meaning attributed to it in the *Securities Act* (Ontario) and, in the case of the REIT, the meaning shall be read as though the REIT were a company.

“Change of Control Triggering Event” means the occurrence of both a Change of Control and a Rating Event.

“Rating Event” shall mean any of (A) the Rating of the Series U Debentures is lowered to below an Investment Grade Rating by at least two of the Approved Rating Organizations if there are more than two Approved Rating Organizations or all of the Approved

Rating Organizations if there are less than three Approved Rating Organizations (the “Required Threshold”) on any day within the 60-day period (which 60-day period will be extended so long as the Rating of the Series U Debentures is under publicly announced consideration for a possible downgrade by such number of the Approved Rating Organizations which, together with Approved Rating Organizations which have already lowered their ratings on the Series U Debentures as aforesaid, would aggregate in number the Required Threshold, but only to the extent that, and for so long as, a Change of Control Triggering Event would result if such downgrade were to occur) after the earlier of (i) the occurrence of a Change of Control, and (ii) public notice of the occurrence of a Change of Control or of the REIT’s intention or agreement to effect a Change of Control, (B) the Rating of the Series U Debentures by the Required Threshold is below an Investment Grade Rating upon the occurrence of a Change of Control and the Rating of the Series U Debentures by the Required Threshold remains below an Investment Grade Rating 30 days after the occurrence of such Change of Control (which 30-day period will be extended so long as the Rating of the Series U Debentures is under publicly announced consideration for a possible increase by such number of the Approved Rating Organizations which, together with Approved Rating Organizations which have already increased their ratings on the Series U Debentures as aforesaid, would aggregate in number the Required Threshold), and (C) following the occurrence of a Change of Control, (i) one or more of the Approved Rating Organizations cease to rate the Series U Debentures such that only one Approved Rating Organization continues to rate the Series U Debentures if there are two or more Approved Rating Organizations, or (ii) the Approved Rating Organization ceases to rate the Series U Debentures if there is only one Approved Rating Organization.

“Investment Grade Rating” shall mean a rating equal to or higher than Baa3 (or the equivalent) by Moody’s Investors Service, Inc., BBB– (or the equivalent) by Standard & Poor’s Rating Services, a division of The McGraw Hill Companies Inc., BBB (low) (or the equivalent) by DBRS Limited, or BBB– (or the equivalent) by Fitch Ratings Inc. or the equivalent investment grade credit rating from any other Approved Rating Organization.

Other:

Notwithstanding the above summary of the Series U Debentures, full details of all definitions for all capitalized terms in this term sheet will be set out in the Supplemental Indenture. In the event of

a conflict between the term sheet and the Supplemental Indenture, the provisions of the Supplemental Indenture shall prevail.

Schedule A

Representations of Purchasers

The distribution of the Debentures in Canada is being made on a private placement basis to “accredited investors” who can make the representations set out herein. By purchasing a Debenture and accepting a purchase confirmation in respect thereof, a purchaser (and any ultimate purchaser for which such purchaser is acting as agent) resident in Canada will be deemed to have irrevocably represented to the REIT and the Agents that, as at the date of such purchaser’s purchase of Debentures:

- (a) it is a resident in a province of Canada and is entitled under applicable securities legislation to purchase the Debentures without the benefit of a prospectus qualified under securities legislation;
- (b) it understands that the offering is not subject to any minimum subscription level and therefore any funds invested are available to and will be paid to the REIT on the Closing Date (or as the REIT may direct);
- (c) it has been independently advised as to restrictions with respect to trading in the Debentures imposed by applicable securities legislation in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the REIT, any Agent or any other person with respect thereto, acknowledges that it is aware of the characteristics of the Debentures, the risks relating to an investment therein and of the fact that it may not be able to resell the Debentures it purchases except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable legislation; and it agrees that any certificates representing the Debentures will bear a legend indicating that the resale of such Debentures is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and the purchaser (and not the REIT) is responsible for compliance with all applicable resale restrictions or hold periods and will comply with all applicable securities legislation and regulatory policy in connection with any resale of the Debentures; and the purchaser further acknowledges that if it resells the Debentures in compliance with applicable legislation, it will give notice to the subsequent transferee of such restrictions;
- (d) it has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of the purchaser’s proposed investment in the Debentures;
- (e) it (i) is an “accredited investor” as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* (“**NI 45-106**”) or, for purchasers resident in the Province of Ontario, Section 73.3(1) of the Securities Act (Ontario); (ii) is not an individual; (iii) is either (A) purchasing the Debentures as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a foreign jurisdiction acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that

- person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a Canadian jurisdiction or foreign jurisdiction; (iv) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of “accredited investor” in NI 45-106; (v) is a “permitted client” as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registration Obligations*, and (vi) will, if requested by the REIT or an Agent, provide evidence of the basis of its above representations;
- (f) if it is a corporation, partnership, unincorporated association or other entity, it has the legal capacity and competence to purchase the Debentures and further certifies that all necessary approvals and authorizations of directors, shareholders, partners or otherwise have been given and obtained;
 - (g) it will execute, deliver and file such reports, undertakings and other documents relating to its purchase of the Debentures as may be required by applicable securities laws, regulations or rules, or in order to assist the REIT and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents or provide to the Agents or the REIT such information about the purchasers as may be required by such laws, regulations or rules. Furthermore, by purchasing the Debentures, the purchaser acknowledges that it may be required to certify as to its status as an “accredited investor” and that such information and other information that the purchaser may have provided to any dealer involved in the trade of the Debentures may be required to be delivered by such dealer to the REIT under the terms of the agency agreement among the Agents and the REIT to be entered into in connection with the offering (the “**Agency Agreement**”). By purchasing the Debentures, the purchaser consents to the disclosure of such information;
 - (h) either it is not an “insider” (as such term is defined in applicable Canadian securities legislation) of the REIT or it has confirmed to the REIT or an Agent that it is an insider of the REIT;
 - (i) either it is not a “registrant” (as such term is defined in applicable Canadian securities legislation) or it has confirmed to the REIT or an Agent that it is a registrant;
 - (j) it has not received, nor has it requested, nor does it have any need to receive, any prospectus, sales or advertising literature, offering memorandum or any other document describing or purporting to describe the business and affairs of the REIT which has been prepared primarily for delivery to, and review by, prospective purchasers in order to assist them in making an investment decision in respect of the purchase of the Debentures pursuant to the offering;
 - (k) it acknowledges that the description of the Debentures set out in the attached Term Sheet is a summary only and is subject to the detailed provisions of the Supplemental Indentures under which such Debentures will be issued. In the event of a conflict, the provisions of the Supplemental Indentures shall prevail;
 - (l) it has relied only upon publicly available information relating to the REIT and not upon any verbal or written representation as to fact, and it acknowledges that neither the REIT nor the Agents have made any written representations, warranties or covenants in respect of such publicly available information, except as set forth in the Agency Agreement. Without limiting the generality of the foregoing, except as may be provided herein, no person has made any written or oral representation to the

- purchaser that any person will re-sell or re-purchase the Debentures, or refund any of the purchase price of the Debentures, or that the Debentures will be listed on any exchange or quoted on any quotation and trade reporting system, or that application has been or will be made to list any such security on any exchange or quote the security on any quotation and trade reporting system, and no person has given any undertaking to the purchaser relating to the future value or price of the Debentures;
- (m) it acknowledges and understands that the REIT is relying on an exemption under applicable securities legislation from the requirements to provide it with a prospectus and, as a consequence of acquiring Debentures pursuant to this exemption, certain protections, rights and remedies provided by applicable securities legislation will not be available to it;
 - (n) it is not a U.S. person or a person within the United States, none of the Debentures are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person or a person within the United States, the purchaser was not offered any of the Debentures in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and the purchaser is aware that the Debentures have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any State of the United States and that the Debentures may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration; and
 - (o) none of the funds being used to purchase the Debentures are, to the best of such purchaser's knowledge, proceeds obtained or derived, directly or indirectly, as a result of illegal activities, and the funds being used to purchase the Debentures and advanced by or on behalf of the purchaser do not represent proceeds of crime for the purpose of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada).

In addition, each purchaser of Debentures (and any ultimate purchaser for which such purchaser is acting as agent) resident in Canada, by purchasing Debentures and accepting a purchase confirmation in respect thereof, will be deemed to have represented and warranted to the REIT and the Agents that the representations and warranties of such purchaser contained herein are true as at the Closing Date with the same force and effect as if they had been made by such purchaser at the Closing Date and that the covenants of such purchaser deemed to have been made by it to be performed prior to the Closing Date have been performed. Each such purchaser covenants that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of Debentures is no longer accurate, it shall promptly notify the REIT and the Agents. Each such purchaser further agrees to indemnify the REIT, the Agents and its respective directors, officers, employees, advisers, affiliates, shareholders and agents, and their respective counsel, against all losses, claims, costs, expenses, damages and liabilities which any of them may suffer or incur and which are caused by or arise from any inaccuracy in, or breach or misrepresentation by the purchaser of, any such representations, warranties and covenants.

Upon receipt of this term sheet, each purchaser of the Debentures hereby confirms that it is the purchaser's express wish that all documents evidencing or relating in any way to the sale of the Debentures described herein (including, for greater certainty, any purchase confirmation or any notice) be drafted in the English language only. Par la réception de ce document, chaque

acheteur des Debentures confirme qu'il est de sa volonté décrits aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) expresse que tous les documents faisant foi ou se rapportant, de quelque manière que ce soit, à la vente des Debentures soient rédigés uniquement en anglais.