A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form 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. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws and, subject to certain exceptions, may not be offered or sold in the United States. See "Plan of Distribution". This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States.

Information has been incorporated by reference in this 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 Secretary of Crombie Real Estate Investment Trust at 115 King Street, Stellarton, Nova Scotia, B0K 1S0, telephone (902) 755-8100, and are also available electronically at www.sedar.com.*

PRELIMINARY SHORT FORM PROSPECTUS

New Issue **March 14, 2012**

CROMBIE REAL ESTATE INVESTMENT TRUST

$67,135,000

4,630,000 Units

This short form prospectus qualifies for distribution 4,630,000 units (the "**Units**") of Crombie Real Estate Investment Trust (the "**REIT**") at a price of $14.50 per Unit. The distribution and offering of the Units pursuant to this short form prospectus is herein referred to as, the "**Offering**". The Units are being offered pursuant to an underwriting agreement dated March 14, 2012 (the "**Underwriting Agreement**") between the REIT and CIBC World Markets Inc., Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., Canaccord Genuity Corp., Beacon Securities Limited, Macquarie Capital Markets Canada Ltd., Raymond James Ltd., Brookfield Financial Corp. and Desjardins Securities Inc. (collectively, the "**Underwriters**" and each an "**Underwriter**"). The price for the Units offered under this short form prospectus was determined by negotiation between the REIT and the Underwriters.

The outstanding Units of the REIT, the outstanding approximately $29.7 million aggregate principal amount of 7.0% extendible convertible unsecured subordinated debentures of the REIT (the "**7.0% Debentures**"), the outstanding approximately $52.3 million aggregate principal amount of 6.25% Series B convertible unsecured subordinated debentures of the REIT (the "**Series B Debentures**"), and the outstanding $45 million aggregate principal amount of 5.75% Series C convertible unsecured subordinated debentures of the REIT (the "**Series C Debentures**" and, together with the 7.0% Debentures and the Series B Debentures, the "**Outstanding Debentures**") are listed on the Toronto Stock Exchange (the "**TSX**") under the symbols "CRR.UN", "CRR.DB", "CRR.DB.B" and "CRR.DB.C", respectively. On March 8, 2012 the last full trading day prior to the public announcement of the Offering, the closing price of the Units, the 7.0% Debentures, the Series B Debentures and the Series C Debentures on the TSX was $14.63, $111.85, $132.31 and $105.75, respectively. The REIT has applied to list the Units on the TSX. Listing will be subject to the REIT fulfilling all listing requirements of the TSX.

An investment in the securities offered hereunder involves risk. The risk factors identified under the heading "Risk Factors" in this short form prospectus should be carefully reviewed and evaluated by prospective subscribers before purchasing the securities being offered hereunder.

Price: $14.50 per Unit

	Price to the Public	Underwriters' Fee	Net Proceeds to the REIT[(1)]
Per Unit	$14.50	$0.58	$13.92
Total	$67,135,000	$2,685,400	$64,449,600

Notes:

(1) Before deducting certain expenses of the Offering and the Concurrent Private Placement estimated at $525,000 which, together with the Underwriters' fee, will be paid from the proceeds of the Offering and the Concurrent Private Placement. See "Plan of Distribution".

The Underwriters as principals, conditionally offer the Units, subject to prior sale, if, as and when issued by the REIT and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement and subject to the approval of certain legal matters on behalf of the REIT by Stewart McKelvey and on behalf of the Underwriters by Davies Ward Phillips & Vineberg LLP. In connection with the Offering, the Underwriters may, subject to applicable laws, over-allot or effect transactions intended to stabilize or maintain the market price of the Units at levels above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. **The Underwriters propose to offer the Units initially at the offering price specified above. After a reasonable effort has been made to sell all of the Units at the price specified, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Units remaining unsold. Any such reduction will not affect the proceeds received by the REIT. See "Plan of Distribution".**

Concurrently with the closing of the Offering, the REIT's subsidiary, Crombie Limited Partnership ("**Crombie LP**"), will issue 3,655,200 Class B limited partnership units of Crombie LP ("**Class B LP Units**") to ECL Developments Limited ("**ECL**") a wholly owned subsidiary of Empire Company Limited ("**Empire**"), on a private placement basis at a price of $14.50 per Class B LP Unit (the "**Concurrent Private Placement**"), and ECL has, with respect of the Offering, waived its pre-emptive right to maintain its interest in the REIT on a fully diluted basis as described below under the heading "Retained Interest". Each Class B LP Unit is exchangeable for one Unit and has attached one Special Voting Unit of the REIT. No commission or other fee will be paid to the Underwriters in connection with the sale of Class B LP Units and Special Voting Units pursuant to the Concurrent Private Placement. ECL currently holds 33,115,360 Class B LP Units and Special Voting Units, representing a 44.6% economic and voting interest in the REIT. Upon closing of the Concurrent Private Placement and the Offering, ECL will hold 36,770,560 Class B LP Units and Special Voting Units, representing a 44.5% economic and voting interest in the REIT. This short form prospectus does not qualify the distribution of the Class B LP Units and Special Voting Units issued pursuant to the Concurrent Private Placement. The Class B LP Units and Special Voting Units purchased pursuant to the Concurrent Private Placement will be subject to a statutory hold period.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The book-entry only certificate representing the Units in registered form held by CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee as registered global securities will be updated to reflect the issuance of the Units on the closing date, which is expected to occur on or about March 29, 2012 or such later date as the REIT and the Underwriters may agree. Unitholders will not be entitled to receive physical certificates representing their ownership. See "Description of Units — Book-Based System".

Affiliates of each of CIBC World Markets Inc., Scotia Capital Inc., TD Securities Inc. and BMO Nesbitt Burns Inc. are lenders to the REIT under the Revolving Credit Facility (as defined herein). In addition, Paul D. Sobey, a trustee of the REIT, is a member of the board of directors of an affiliate of Scotia Capital Inc. Accordingly, the REIT may be considered to be a "connected issuer" of each of CIBC World Markets Inc., Scotia Capital Inc., TD Securities Inc. and BMO Nesbitt Burns Inc. within the meaning of applicable Canadian securities legislation. See "Relationship Between the REIT and Certain Underwriters".

The REIT is an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario. **The REIT 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. The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that Act or any other legislation.**

Although the REIT intends to make distributions of a portion of its available cash to holders of the Units (the "Unitholders"), these cash distributions are not assured. A return on an investment in the REIT is not comparable to the return on an investment in a fixed-income security. The ability of the REIT to make cash distributions and the actual amount distributed will be dependent upon, among other things, the financial performance of the REIT, its debt covenants and obligations, its working capital requirements and its future capital requirements. The market value of the Units may deteriorate if

the REIT is unable to maintain current levels of cash distributions in the future, and that deterioration may be material. An investment in the Units is subject to a number of risks and investment considerations that should be considered by a prospective purchaser. See "Risk Factors".

The Canadian income tax consequences to Unitholders who are Canadian residents will depend, in part, on the composition for tax purposes of distributions paid by the REIT. Distributions can be made up of both a "return on" and a "return of" capital. That composition may change over time, thus affecting a Unitholder's after-tax return. Subject to the application of the SIFT Regime (as defined herein) discussed under the heading "Certain Canadian Federal Income Tax Considerations", returns on capital are generally taxed as ordinary income, capital gains or dividends in the hands of a Unitholder while returns of capital are generally tax-deferred (and reduce the Unitholder's cost base in the Unit for tax purposes). Distributions of income and returns of capital to a Unitholder who is not resident in Canada for purposes of the *Income Tax Act* (Canada), as amended (the "**Tax Act**") or is a partnership that is not a "Canadian partnership" for purposes of the Tax Act may be subject to Canadian withholding tax. Prospective Unitholders should consult their own tax advisors with respect to the Canadian income tax considerations applicable in their circumstances.

The principal, registered and head office of the REIT is located at 115 King Street, Stellarton, Nova Scotia, B0K 1S0.

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ELIGIBILITY FOR INVESTMENT

In the opinion of Stewart McKelvey, counsel to the REIT, and Davies Ward Phillips & Vineberg LLP, counsel to the Underwriters, provided that the REIT qualifies as a "mutual fund trust" under the Tax Act at the date of closing, then on that date the Units will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, deferred profit sharing plans, registered education savings plans and tax-free savings accounts, each as defined in the Tax Act ("**Exempt Plans**"). However, the holder of a tax-free savings account and the annuitant of a registered retirement savings plan or registered retirement income fund that governs a trust which holds Units will be subject to a penalty tax if the holder or annuitant does not deal at arm's length with the REIT for purposes of the Tax Act or if the holder or annuitant has a significant interest (within the meaning of the Tax Act) in the REIT or in a corporation, partnership or trust with which the REIT does not deal at arm's length for purposes of the Tax Act.

MEANING OF CERTAIN REFERENCES

In this short form prospectus, references to the "REIT" includes its subsidiaries where the context requires. References to "dollars" or "$" are to Canadian currency. Unless otherwise indicated, the disclosure in this short form prospectus assumes that the transactions described under "The Acquisition" have been completed.

NON-IFRS FINANCIAL MEASURES

The REIT issues guidance on and reports on certain measures that do not have a standardized meaning under International Financial Reporting Standards ("**IFRS**") as prescribed by the International Accounting Standards Board, including "property net operating income ("**NOI**")", "same-asset NOI", "same-asset cash NOI", "operating income attributable to Unitholders", "adjusted funds from operations ("**AFFO**")", "debt to gross book value", "funds from operations ("**FFO**")" and "earnings before interest, taxes, depreciation and amortization", that it uses to evaluate its performance. Management includes these measures because it believes certain investors find these measures useful as a means of assessing relative financial performance. Because non-IFRS measures do not have a standardized meaning and may differ from those used by other issuers, securities regulations require that non-IFRS measures be clearly defined and qualified, reconciled with their nearest IFRS measure and given no more prominence than the closest IFRS measure. Such information is presented in the sections dealing with these financial measures herein and in the documents incorporated by reference herein.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This short form prospectus contains forward-looking statements which reflect management's expectations regarding objectives, plans, goals, strategies, future growth, results of operations, performance and business prospects and opportunities of the REIT. Forward-looking statements are typically identified by words or phrases such as "anticipates", "expects", "believes", "estimates", "intends", and other similar expressions. These statements are based on management's assumptions and beliefs in light of the information currently available to them. These forward-looking statements are subject to inherent uncertainties, risks and other factors that could cause actual results to differ materially from such statements. These uncertainties and risks are discussed under "Risk Factors" in this short form prospectus and in the information incorporated by reference herein, including those discussed in the Risk Management section of the REIT's fiscal 2011 management's discussion and analysis, and in the "Risks" section of the REIT's annual information form in respect of the year ended December 31, 2011. Reference is also made to the disclosure concerning forward-looking statements in the information incorporated by reference herein.

When relying on forward-looking statements to make decisions, the REIT cautions readers not to place undue reliance on these statements, as a number of important factors could cause actual results to differ materially from any estimates or intentions expressed in such forward-looking statements. The REIT does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the REIT, except as required by Canadian securities laws.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference

may be obtained on request without charge from the Secretary of the REIT at 115 King Street, Stellarton, Nova Scotia, B0K 1S0 (Telephone (902) 755-8100), and are also available electronically at www.sedar.com.

The following documents, filed with the securities commissions or similar regulatory authorities in Canada, are specifically incorporated by reference in, and form an integral part of, this short form prospectus:

(i) the annual information form of the REIT dated March 14, 2012 for the year ended December 31, 2011 (the "**AIF**");

(ii) the audited consolidated financial statements of the REIT for the years ended December 31, 2011 and 2010, together with the notes thereto and the auditors' report thereon;

(iii) management's discussion and analysis of the consolidated financial condition and results of operations of the REIT for the year and quarter ended December 31, 2011;

(iv) the management information circular of the REIT dated March 31, 2011 prepared in connection with the REIT's annual meeting of unitholders held on May 5, 2011; and

(v) a material change report dated March 13, 2012 relating to the Acquisition (defined below), the Offering and the Concurrent Private Placement.

Any documents of the type referred to above and any interim financial statements, management's discussions and analyses, business acquisition reports or material change reports (other than confidential material change reports) filed by the REIT with the securities commissions or similar regulatory authorities in each of the provinces of Canada subsequent to the date of this short form prospectus and prior to the termination of this distribution shall be deemed to be incorporated by reference into this short form prospectus. Any statement in this short form prospectus contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document or statement that it modifies or supersedes. The making of a modifying or superseding statement shall 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 was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

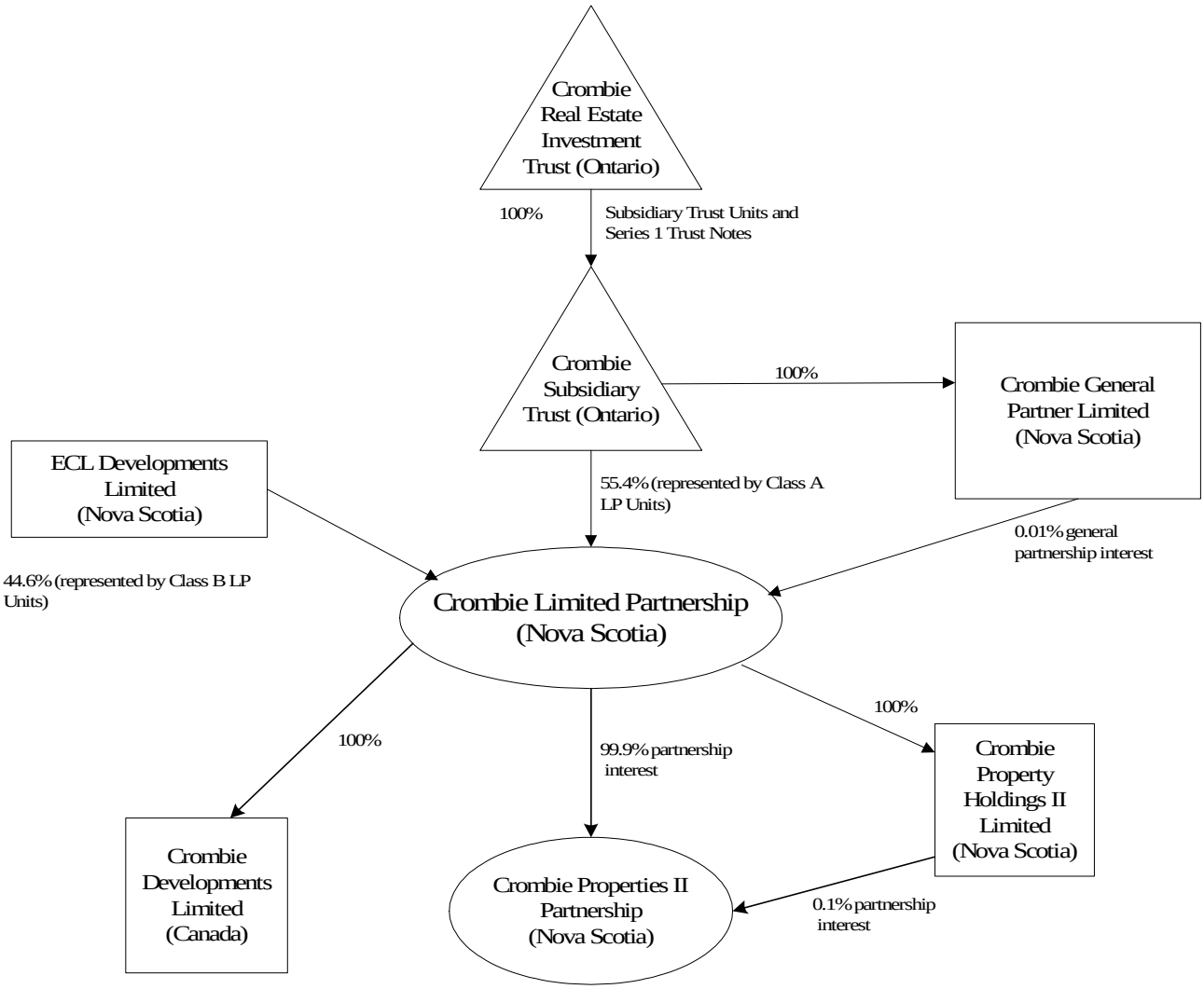
THE REIT

General

The REIT is an unincorporated open-ended real estate investment trust established pursuant to a declaration of trust dated as of January 1, 2006, as amended and restated from time to time (the "**Declaration of Trust**"), under, and governed by, the laws of the Province of Ontario.

The REIT was formed to invest in income-producing retail, office and mixed-use properties located in Canada. As at March 14, 2012, the REIT owned a portfolio of 139 investment properties in eight provinces, comprising approximately 12.6 million square feet of gross leaseable area. The objectives of the REIT are to: (i) generate reliable and growing cash distributions; (ii) enhance the value of the REIT's assets and maximize long-term unit value through active management; and (iii) expand the asset base of the REIT and increase its cash available for distribution through accretive acquisitions.

The following chart shows the names of the principal subsidiaries of the REIT, their respective jurisdictions of incorporation, and the percentages of voting securities owned by the REIT as of March 14, 2012.



RECENT DEVELOPMENTS

1581 Greenbank Road, Nepean, Ontario

On January 19, 2012 the REIT completed a $2,900,000 second mortgage financing of Greenbank Road. The mortgage has a term of 5 years, a fixed interest rate of 3.33% and an amortization period of 25 years.

408/357-37400 Highway II, Red Deer, Alberta

The REIT purchased a 40,000 square foot single tenant freestanding building on March 9, 2012 from a third party vendor for a purchase price of $13,800,000. A new five year mortgage for $8.96 million at 4.06% was put in place with the existing mortgage lender at closing. The balance of the purchase price was financed through the REIT's existing Revolving Credit Facility (defined below).

THE ACQUISITION

Acquisition Agreement

Crombie LP has entered into an acquisition agreement dated as of February 2, 2012, as amended on March 8, 2012 (the "**Acquisition Agreement**"), with 22 third party vendors pursuant to which the REIT will indirectly acquire a portfolio of 22 retail properties (the "**Acquisition Properties**") for an aggregate purchase price of $254,647,104 (the "**Acquisition**"), subject to gap lease and head lease adjustments, as well as certain customary adjustments. The net proceeds of the Offering and the Concurrent Private Placement will be used to finance a portion of the purchase price of the Acquisition. See "Use of Proceeds". The following is a summary of certain provisions of the Acquisition Agreement, which summary is not intended to be complete. Please refer to the Acquisition Agreement filed as a material contract of the REIT on www.sedar.com for the full text of the Acquisition Agreement.

Purchased Assets — In addition to the purchase of the Acquisition Properties, Crombie LP will obtain or assume pursuant to the Acquisition Agreement: (i) the leases or other rights or licences granted by the vendors with respect to the Acquisition Properties, (ii) the equipment, inventory, supplies and other chattels or movable property owned by any of the vendors and used exclusively in the maintenance, repair or operation of any of the Acquisition Properties, (iii) the existing third party warranties and guarantees relating to the Acquisition Properties, (iv) any permitted encumbrances as set out in the schedules to the Acquisition Agreement, and (v) the indebtedness under certain existing mortgages against the Acquisition Properties.

Conditions — The transactions contemplated by the Acquisition Agreement are conditional upon the satisfaction of certain customary conditions, as well as upon the receipt of Competition Act approval. Certain conditions related to the due diligence and third party consent matters have been waived by Crombie LP and the vendors.

Gap/Head Lease Adjustments —Under the gap lease adjustment, a maximum amount of $1,672,003 will be credited to Crombie LP at closing, which amount is subject to decrease to the extent that the closing occurs on a date following April 5, 2012. The gap lease adjustment is intended to compensate Crombie LP for rental income relating to leases that have been entered into but commence at a future date. The head lease adjustment is a prescribed adjustment to the purchase price at closing in the amount of $1,290,000 in favour of Crombie LP to compensate Crombie LP for rental income for portions of the Acquisition Properties not subject to a lease at closing.

Representations and Warranties — The Acquisition Agreement contains representations and warranties relating to each of the vendors and Crombie LP which are customary in arm's length transactions of this nature, including representations and warranties as to organization and status, power and due authorization, non-contravention of constating and organizational documents, laws or material agreements, residency status and no approval or consent requirements, other than as disclosed. The Acquisition Agreement also contains representations and warranties relating to the Acquisition Properties given by the vendors, including with respect to absence of material litigation, absence of liens, options or expropriation proceeding affecting the Acquisition Properties and the status of the mortgages being assumed. Certain limited representations and warranties relating to residency status and status as a registrant under the *Excise Tax Act* (Canada) will survive until the expiry of the limitation period under applicable law. All other representations and warranties will survive for one year after the closing date (the "**Survival Period**").

Indemnities – Crombie LP has agreed to indemnify the vendors and their respective shareholders, partners, limited partners, directors, officers, employees, advisors and agents for any claims or losses resulting from a failure of Crombie LP to pay any applicable taxes or submit any required tax filings in connection with the transfer of the Acquisition Properties. The vendors have agreed to indemnify Crombie LP for any non-compliance with any bulk sales laws in respect of the transactions contemplated by the Acquisition Agreement and Crombie LP has agreed to indemnify the vendors with respect to any of the assigned mortgages for the period following the closing of the Acquisition to the extent that Crombie LP is unable to obtain a full and unconditional release of the vendors from such assigned mortgages.

Limitation of Claims — Under the Acquisition Agreement, claims for breaches of representations and warranties may only be brought within the Survival Period. No party (a "**Claiming Party**") may bring a claim for breach of a representation or warranty by another party (a "**Responding Party**") unless the aggregate of all claims made by the Claiming Party against the Responding Party exceeds a threshold of $500,000, in which case the

Claiming Party shall be entitled to recover the full amount of successful claims, including the first $500,000. All claims for breach of representation and warranty are subject to a 90 day cure period and offsets for insurance recoveries. Each of the Acquisition Properties is being purchased by Crombie LP from a different individual vendor, and Crombie LP's only recourse for any claims under the Acquisition Agreement in respect of a particular property is limited to the individual vendor from whom Crombie LP purchased the property.

As is and Where is Basis — The Acquisition Agreement provides that except as provided in the representations and warranties of the vendors, the Acquisition Properties are being purchased on an "as is, and where is" basis in reliance on Crombie LP's own due diligence with respect to the Acquisition Properties.

Additional Obligations – Additional material obligations under the Acquisition Agreement include the vendors' obligation to use their reasonable commercial efforts to obtain and deliver estoppel certificates from each of the tenants and to provide such estoppel certificates to Crombie LP.

Closing Date — The Acquisition is scheduled to close on April 10, 2012 or such earlier or later date as Crombie LP and the vendors, or their respective solicitors, may agree.

DESCRIPTION OF ACQUISITION PROPERTIES

The Acquisition Properties represent an aggregate of approximately 848,000 square feet ("**sq. ft.**") of gross leasable area ("**GLA**") and consist of 11 retail plazas and 11 freestanding stores.

The following description of the Acquisition Properties is based on information provided by the vendors, as supplemented by information gathered by the REIT in the course of its due diligence investigation, which is ongoing. Consequently, not all of this information has been independently verified and details such as leased and leasable area, overall size and available parking may be subject to adjustment. Anchor or key tenants for retail plazas have been identified by the REIT on the basis of management's assessment of a number of factors, including size, stability, reputation and ability to draw customer traffic.

Ontario

Brampton Mall – 152-160 Main Street S, Brampton, Ontario

Brampton Mall is located at the intersection of Main Street and Nanwood Drive in Brampton, Ontario. Brampton Mall is an approximately 101,325 sq. ft. single-level retail plaza. The centre is anchored by Metro and Shoppers Drug Mart. Brampton Mall is situated on an approximately 8.74 acre site and has open-air parking for approximately 521 vehicles. Brampton Mall was built in the 1960's.

The overall property is approximately 87.4% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
Metro	27,783	27.4%	June 2031
Shoppers Drug Mart	17,785	17.6%	May 2031

4021 Upper Middle Road, Burlington, Ontario

Middle Road Plaza is located at the intersection of Upper Middle Road and Walkers Line in Burlington, Ontario. Middle Road Plaza is an approximately 11,066 sq. ft. single-level retail plaza. Middle Road Plaza is anchored by a First Ontario Credit Union and a Mac's convenience store. Middle Road Plaza is situated on an approximately 1.28 acre site and has open-air parking for approximately 50 vehicles. Middle Road Plaza was built in 1990 and was expanded and renovated in 2009 and 2011.

The overall property is 100% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
First Ontario Credit Union	5,066	45.8%	December 2020
Mac's	2,400	21.7%	April 2016

2095 Dorchester Road, Dorchester, Ontario

Dorchester Road Plaza is located at the intersection of Dorchester Road and Carlton Road in Dorchester, Ontario. Dorchester Road Plaza is an approximately 31,197 sq. ft. single-level retail plaza. Dorchester Road Plaza is anchored by a Sobeys (Foodland) store. Dorchester Road Plaza is situated on an approximately 3.96 acre site and has open-air parking for approximately 190 vehicles. Dorchester Road Plaza was built in the 1970s.

The overall property is approximately 80.6% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
Sobeys (Foodland)	17,605	56.4%	August 2027

2300 Dorchester Road, Dorchester, Ontario

Dorchester Road Centre is located at the intersection of Dorchester Road and Byron Avenue in Dorchester, Ontario. Dorchester Road Centre is an approximately 18,467 sq. ft. single-tenant building which houses a Shoppers Drug Mart. Dorchester Road Centre is situated on an approximately 8.00 acre site and has open-air parking for approximately 86 vehicles. Dorchester Road Centre was built in 2009.

The overall property is 100% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
Shoppers Drug Mart	18,467	100%	November 2029

703 Notre Dame Street, Embrun, Ontario

Notre Dame Street Centre is located on Notre Dame Street in Embrun, Ontario. Notre Dame Street Centre is an approximately 16,910 sq. ft. single-tenant building which houses a Shoppers Drug Mart. Notre Dame Street Centre is situated on an approximately 2.32 acre site and has open-air parking for approximately 124 vehicles. Notre Dame Street Centre was built in 2006.

The overall property is 100% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
Shoppers Drug Mart	16,910	100%	November 2021

15 Lindsay Street, Fenelon Falls, Ontario

Lindsay Street Centre is located on Lindsay Street in Fenelon Falls, Ontario. Lindsay Street Centre is an approximately 25,010 sq. ft. single-tenant building which houses a Sobeys. Lindsay Street Centre is situated on an approximately 5.28 acre site and has parking space on the property for approximately 155 vehicles. Lindsay Street Centre was built in 2002.

The overall property is 100% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
Sobeys	25,010	100%	April 2022

263-265 Guelph Street, Georgetown, Ontario

Sinclair Place is located at the intersection of Guelph Street and Sinclair Avenue in Georgetown, Ontario. Sinclair Place is comprised of two single-tenant buildings, the first is approximately 19,258 sq. ft. and houses a Shoppers Drug Mart, and the second is approximately 9,234 sq. ft. and houses an Emerald Isle, a local furniture retailer. Sinclair Place is situated on an approximately 2.38 acre site and has open-air parking for approximately 116 vehicles. Sinclair Place was built in 2010.

The overall property is 100% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
Shoppers Drug Mart	19,258	67.6%	September 2030

Emerald Isle	9,234	32.4%	June 2020

150-156 Main Street East, Grimsby, Ontario

Grimsby Plaza is located on Main Street East in Grimsby, Ontario. Grimsby Plaza is an approximately 29,394 sq. ft. single-level retail plaza. Grimsby Plaza is anchored by a Shoppers Drug Mart and Dollarama. Grimsby Plaza is situated on an approximately 3.09 acre site and has open-air parking for approximately 144 vehicles. Grimsby Plaza was built in 1987 and renovated in 2006.

The overall property is 100% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
Shoppers Drug Mart	16,974	57.7%	November 2021
Dollarama	9,800	33.3%	August 2014

321 Main Street East, Grimsby, Ontario

Grimsby Centre is located on Main Street East, Grimsby, Ontario. Grimsby Centre is an approximately 24,065 sq. ft. single-tenant building which houses a TSC Stores. Grimsby Centre is situated on an approximately 2.27 acre site and has open-air parking for approximately 82 vehicles. Grimsby Centre was built in 2006.

The overall property is 100% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
TSC Stores	24,065	100%	July 2026

32-38 Ottawa Street West, Havelock, Ontario

Havelock Centre is located on Ottawa Street, Havelock, Ontario. Havelock Centre is an approximately 14,866 sq. ft. single-tenant building which houses a Sobeys (Foodland) store. Havelock Centre is situated on an approximately 0.92 acre site and has open-air parking for approximately 37 vehicles. Havelock Centre was built in 1976 and was expanded and renovated in 2010.

The overall property is 100% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
Sobeys (Foodland)	14,866	100%	October 2024

10 Alkenbrack Street, Napanee, Ontario

Milligan Corners is located at the intersection of Alkenbrack Street and Centre Street in Napanee, Ontario. Milligan Corners is an approximately 24,735 sq. ft. single-level retail plaza. Milligan Corners consists of a Shoppers Drug Mart and the Liquor Control Board of Ontario. Milligan Corners is situated on an approximately 1.98 acre site and has open-air parking for approximately 125 vehicles. Milligan Corners was built in 2009.

The overall property is 100% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
Shoppers Drug Mart	16,964	68.6%	January 2029
Liquor Control Board of Ontario	7,771	31.4%	February 2029

5125 Montrose Road, Niagara Falls, Ontario

Niagara Falls Centre is located at the intersection of Montrose Road and Preakness Street in Niagara Falls, Ontario. Niagara Falls Centre is an approximately 17,043 sq. ft. single-tenant building which houses a Shoppers Drug Mart. Niagara Falls Centre is situated on an approximately 2.99 acre site and has open-air parking for approximately 159 vehicles. Niagara Falls Centre was built in 2007.

The overall property is 100% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
Shoppers Drug Mart	17,043	100%	July 2022

1899 Algonquin Avenue, North Bay, Ontario

Algonquin Avenue Mall is located on Algonquin Avenue, North Bay, Ontario. Algonquin Avenue Mall is an approximately 191,123 sq. ft. retail plaza. Algonquin Avenue Mall is anchored by a Sobeys and Zellers. The Zellers store has been publicly identified as a location that will be converted to the Target brand. Algonquin Avenue Mall is situated on an approximately 12.26 acre site and has open-air parking for approximately 825 vehicles. Algonquin Avenue Mall was built in 1968 and was expanded and renovated in 1997 and 2000.

The overall property is 100% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
Zellers/Target	114,373	59.8%	January 2023
Sobeys	38,124	20.0%	July 2015

400 Lansdowne Street East, Peterborough, Ontario

Lansdowne Plaza is located on Lansdowne Street East, Peterborough, Ontario. Lansdowne Plaza is an approximately 67,523 sq. ft. single-level retail plaza. Lansdowne Plaza is anchored by a Loblaws (Your Independent Grocer). Lansdowne Plaza is situated on an approximately 7.16 acre site and has open-air parking for approximately 380 vehicles. Lansdowne Plaza was built in 1996.

The overall property is 100% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
Loblaws	40,447	59.9%	September 2016

1875 - 1913 Lansdowne Street West, Peterborough, Ontario

Lansdowne Centre is located on Lansdowne Street West, Peterborough, Ontario. Lansdowne Centre is an approximately 18,675 sq. ft. single-tenant building which houses a Shoppers Drug Mart. Lansdowne Centre is situated on an approximately 7.28 acre site and has open-air parking for approximately 97 vehicles. Lansdowne Centre was built in 2010.

The overall property is 100% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
Shoppers Drug Mart	18,675	100%	November 2030

511 Huron Street, Stratford, Ontario

Huron Street Plaza is located at the intersection of Huron Street and Matilda Street in Stratford, Ontario. Huron Street Plaza is an approximately 27,375 sq. ft. single-tenant building which houses a Shoppers Drug Mart. Huron Street Plaza is situated on an approximately 2.00 acre site and has open-air parking for approximately 116 vehicles. Huron Street Plaza was built in 2009.

The overall property is 100% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
Shoppers Drug Mart	27,375	100%	March 2029

521 Queenstown Road (Highway 8), Stoney Creek, Ontario

Stoney Creek Plaza is located at the intersection of Queenstown Road (Highway 8) and Dewitt Road in Stoney Creek, Ontario. Stoney Creek Plaza is an approximately 9,084 sq. ft. single-level retail plaza. Stoney Creek Plaza is anchored by a Mac's. Stoney Creek Plaza is situated on an approximately 2.32 acre site and has open-air parking for approximately 109 vehicles. Stoney Creek Plaza was built in 1988 and was expanded and renovated in 2011.

The overall property is approximately 87.7% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
Mac's	2,400	26.4%	September 2020

2751-2753 Eglinton Avenue East, Toronto, Ontario

Eglinton Centre is bordered by Eglinton Avenue East, Danforth Road and Brimley Road in Toronto, Ontario. Eglinton Centre is an approximately 16,995 sq. ft. single-tenant building which houses a Shoppers Drug Mart. Eglinton Centre is situated on an approximately 1.55 acre site and has open-air parking for approximately 73 vehicles. Eglinton Centre was built in 2008.

The overall property is 100% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
Shoppers Drug Mart	16,995	100%	June 2023

1780 Markham Road, Toronto, Ontario

Markham Plaza is located on Markham Road, Toronto, Ontario. Markham Plaza is an approximately 38,715 sq. ft. single-level retail plaza. Markham Plaza is anchored by a Shoppers Drug Mart. Markham Plaza is situated on an approximately 3.52 acre site and has open-air parking for approximately 176 vehicles. Markham Plaza was built in 2009 and 2011.

The overall property is approximately 59.3% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
Shoppers Drug Mart	17,080	44.1%	September 2028

1555 - 1563 the Queensway, Toronto, Ontario

Queensway Plaza is located on the Queensway in Toronto, Ontario. Queensway Plaza is an approximately 67,004 sq. ft. single-level retail plaza. Queensway Plaza is anchored by a Future Shop and a Golf Town. Queensway Plaza is situated on an approximately 6.01 acre site and has open-air parking for approximately 282 vehicles. Queensway Plaza was built in 2007.

The overall property is approximately 95.2% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
Future Shop	30,637	45.7%	January 2023
Golf Town	17,341	25.9%	March 2018

Manitoba

3128, 3136 and 3156 Bird's Hill Road East, St. Paul, Manitoba

Bird's Hill Road Plaza is located on Bird's Hill Road East, St. Paul, Manitoba. Bird's Hill Road Plaza is an approximately 39,193 sq. ft. stand-alone building anchored by Sobeys. Bird's Hill Road Plaza is situated on an approximately 3.74 acre site and has open-air parking for approximately 229 vehicles. Bird's Hill Road Plaza was built in 1998 and was expanded and renovated in 2011.

The overall property is 100% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
Sobeys	39,193	100%	May 2028

Saskatchewan

9801 Territorial Drive, North Battleford, Saskatchewan

Territorial Drive Plaza is located on Territorial Drive, North Battleford, Saskatchewan. Territorial Drive Plaza is an approximately 29,752 sq. ft. single-level retail plaza. Territorial Drive Plaza is anchored by a Sobeys. Territorial Drive Plaza is situated on an approximately 8.85 acre site and has open-air parking for approximately 259 vehicles. Territorial Drive Plaza was built in 1997 and 2006.

The overall property is 100% leased.

Key Tenants	Area Leased (Sq. Ft.)	Percentage of Total GLA	Lease Expiry Date
Sobeys	26,895	90.4%	October 2017

ASSESSMENT OF THE ACQUISITION PROPERTIES

Environmental Site Assessments

Each of the Acquisition Properties has been the subject of a Phase I environmental site assessment ("**Phase I Assessments**"), which were completed in February 2012. Phase I Assessments were conducted by an independent professional consulting engineering firm ("**Independent Engineers**") with extensive experience in environmental services. The purpose of these environmental site assessments was to assess whether evidence of potential or actual environmental contamination exists at the Acquisition Properties. The Independent Engineers are currently preparing a report with respect to each assessment it conducted ("**Phase I Reports**") in general accordance with the current Canadian Standards Association's standard for Phase I environmental site assessments. Intrusive sampling and analysis were not part of these Phase I Assessments.

While the Phase I Reports are not yet finalized, the Independent Engineers are currently conducting Phase II environmental site assessment work involving intrusive soil and/or groundwater sampling and analysis at four of the Acquisition Properties ("**Phase II Work**"). The purpose of the Phase II Work is to assess, prior to closing, the issues of potential or actual environmental concern relating to potential soil and groundwater issues identified in the Phase I Assessments. Phase II environmental site assessment reports ("**Phase II Reports**") will be prepared for each of the Acquisition Properties for which Phase II Work is currently being conducted.

The Independent Engineers also recommended groundwater monitoring at eight of the Acquisition Properties, which will be conducted in accordance with the REITs ongoing environmental management system for its properties.

Based on the Phase I Assessments, the REIT does not believe that the costs to conduct any necessary remedial work and/or ongoing monitoring for any of the Acquisition Properties will be material.

Property Condition Assessments

Each of the Acquisition Properties has been the subject of property condition assessments (each, a "**PCA**"), which were completed in February 2012. The PCAs were conducted by the Independent Engineers for the purpose of assessing and documenting the existing condition of each building and major building operating components and systems forming part of the Acquisition Properties, as well as to identify and quantify major defects in materials or systems which might significantly affect the value of any of the Acquisition Properties or continued operation thereof over the next ten years. The Independent Engineers are currently preparing a written report with respect to each PCA it conducted ("**PCA Reports**").

Each of the PCA Reports will assess both work required to be completed immediately and work recommended to be performed during the subsequent ten years in order to maintain appropriate building conditions. Based on the PCAs, each of the Acquisition Properties appears to be well maintained and the Independent Engineers estimate that a minimal amount of capital improvement work is required to be carried out immediately on the

Acquisition Properties. To the extent the required work is not completed prior to closing and is not the responsibility of the tenant, the REIT will complete it at the REIT's expense following closing.

The PCA Reports also will identify minimum recommended repairs and maintenance expenditures required in respect of the Acquisition Properties over the next ten years, and the REIT will determine which of those may be recoverable from tenants or paid directly by tenants pursuant to net leases.

Management of the REIT expects to prepare a budget for expenditures in addition to the amounts estimated in the PCA Reports for repairs and maintenance on the Acquisition Properties to ensure the properties are in good operating condition and attractive to both existing and new tenants and tenants' customers.

FINANCING FOR THE ACQUISITION

Drawdown on Revolving Credit Facility and Assumption of Mortgages

On June 28, 2011, Crombie renewed its $150 million floating rate revolving credit facility, extending the term to June 30, 2014 (the "**Revolving Credit Facility**"), which also contains a $50 million accordion feature which, when requested and approved, increases the total facility to $200 million. As at March 12, 2012 approximately $60.0 million was outstanding under the Revolving Credit Facility. The REIT intends to fund the purchase price for the Acquisition Properties in part through applying the proceeds of this Offering; in part through applying the proceeds of the Concurrent Private Placement; in part through, subject to receipt of required consents from the applicable lenders, the assumption of $95.7 million in total mortgages with a weighted average term to maturity of 3.8 years and a weighted average interest rate of 4.86%, with various lenders which are existing on the Acquisition Properties at closing; and the balance by drawing down approximately $42.6 million from the Revolving Credit Facility. The REIT intends to seek mortgage financing for five of the Acquisition properties that will be unencumbered upon closing to reduce a portion of the amount drawn on the Revolving Credit Facility. The funds not immediately applied to the Revolving Credit Facility will be invested in short-term interest bearing instruments until used.

The following pro forma table of debt maturities as of December 31, 2011 reflects the assumption of mortgages and increased borrowing under the Revolving Credit Facility in connection with the Acquisition as if the assumptions and increased borrowings had occurred on December 31, 2011.

Pro forma REIT-Acquisition December 31, 2011
(in thousands)

	Maturing Fixed Rate Debt	Payment of Principal	Floating Rate Maturities	Total Required Payments
12 Months ending				
December 31, 2012	$3,156	$27,918	$ -	$31,074
December 31, 2013	44,317	30,001	-	74,318
December 31, 2014	77,715	28,238	82,587	188,540
December 31, 2015	75,092	27,433	-	102,525
December 31, 2016	64,471	23,940	-	88,411
Thereafter	413,710	118,833	-	532,543
Total	$678,461	$256,363	$82,587	$1,017,411

CONSOLIDATED CAPITALIZATION

There have not been any material changes in the share capitalization or indebtedness of the REIT since December 31, 2011, the date of the REIT's most recently filed financial statements, other than the mortgage financing described under "Recent Developments" and conversions of Outstanding Debentures described under "Prior Sales".

The following table sets forth the pro forma capitalization of the REIT as at December 31, 2011, as adjusted to give effect to transactions that have closed since December 31, 2011, conversions of Outstanding Debentures, this Offering and the Concurrent Private Placement.

	As at December 31, 2011 before giving effect to transactions since December 31, 2011, this Offering and the Concurrent Private Placement	**As at December 31, 2011 after giving effect to transactions since December 31, 2011, this Offering and the Concurrent Private Placement**
	(unaudited) (expressed in 000's)	(unaudited) (expressed in 000's)
Indebtedness		
Mortgages[(1)]	$845,490	$953,088
Convertible Debentures	124,351	123,933
Revolving Credit Facility	40,000	84,527
Deferred Financing Charges	(7,483)	(7,798)
Total Indebtedness	1,002,358	1,153,750
Net Assets Attributable to Unitholders Represented By:		
Unitholders[(2)]	326,487	391,068
Special Voting Units and Class B LP Unitholders[(2)]	255,174	307,943
TOTAL CAPITALIZATION	$1,584,019	$1,852,761

Notes:

(1) Mortgages assumed on closing of the Acquisition of $95.7 million are recorded at the principal amount estimated to be owing at closing pending completion of the purchase price allocations.
(2) For financial statement purposes, these Units and Class B LP Units are classified as liabilities under IFRS.

USE OF PROCEEDS

The net proceeds to the REIT from the Offering, after deducting the Underwriters' fee and certain other expenses of the Offering, are estimated to be $64,156,215. The net proceeds to Crombie LP of the Concurrent Private Placement after deducting certain expenses of the Concurrent Private Placement are estimated to be approximately $52,768,785. No commission or other fee will be paid to the Underwriters in connection with the sale of Class B LP Units and Special Voting Units pursuant to the Concurrent Private Placement.

The net proceeds from the Offering and the Concurrent Private Placement are expected to be used by the REIT to finance a portion of the purchase price for the Acquisition. If the Acquisition does not close for any reason, the REIT expects to use the proceeds of the Offering to reduce a portion of the outstanding borrowings under the Revolving Credit Facility, for working capital and to fund future acquisitions that are not yet identified. The funds not immediately applied to the Revolving Credit Facility will be invested in short-term interest bearing instruments until used.

PLAN OF DISTRIBUTION

Under the Underwriting Agreement, the REIT has agreed to sell and the Underwriters have agreed to purchase on or about March 29, 2012, or on such later date as the REIT and the Underwriters may agree, 4,630,000 Units at a price of $14.50 per Unit, for total gross proceeds to the REIT of $67,135,000. The obligations of the Underwriters under the Underwriting Agreement may be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Units if any of the Units are purchased under the Underwriting Agreement. The obligations of the Underwriters to purchase the Units are joint (and not several or joint and several). The terms of the Offering and the price of the Units have been determined by negotiation between the REIT and the Underwriters.

Under the Underwriting Agreement, the REIT has agreed to pay the Underwriters a fee of $0.58 per Unit, for an aggregate fee payable by the REIT of $2,685,400, subject to the following paragraph, in consideration for their services in connection with this Offering. The Underwriters' fee in respect of the Units is payable on the closing of the Offering.

ECL has waived its pre-emptive right under the Exchange Agreement in connection with the Offering. See "Retained Interest". Concurrently with the closing of the Offering, Crombie LP will issue 3,655,200 Class B LP Units of Crombie LP to ECL on a private placement basis at a price of $14.50 per Class B LP Unit pursuant to the Concurrent Private Placement for total gross proceeds of approximately $53,000,400. The obligation of the Underwriters to purchase the Units is subject to the condition, for the exclusive benefit of the Underwriters, that the Concurrent Private Placement shall have occurred on or before the closing of the Offering. This condition may be waived by the Underwriters in their sole discretion. Each Class B LP Unit is exchangeable for one Unit and has attached one Special Voting Unit of the REIT. No commission or other fee will be paid to the Underwriters in connection with the sale of Class B LP Units and Special Voting Units pursuant to the Concurrent Private Placement. ECL currently holds 33,115,360 Class B LP Units and Special Voting Units, representing a 44.6% economic and voting interest in the REIT. As a result, the Concurrent Private Placement constitutes a "related party transaction" under MI 61-101. MI 61-101 provides a number of circumstances in which a transaction between an issuer and a related party may be subject to valuation and minority approval requirements. An exemption from such requirements is available when the fair market value of the transaction is not more than 25% of the market capitalization of the issuer. The REIT has obtained exemptive relief from the requirements of MI 61-101 that, subject to certain conditions, would permit it to be exempt from the minority approval and valuation requirements for transactions that would have a value of less than 25% of the REIT's market capitalization if ECL's indirect economic and voting interest in the REIT was included in the calculation of the REIT's market capitalization. As a result, the 25% threshold referred to above would be approximately $265.23 million as of March 8, 2012, which is more than the amount of the Concurrent Private Placement. Consequently the Concurrent Private Placement will not be subject to the valuation and minority approval requirements of MI 61-101. Upon closing of the Concurrent Private Placement and the Offering, ECL will hold 36,770,560 Class B LP Units and Special Voting Units, representing a 44.5% economic and voting interest in the REIT. This short form prospectus does not qualify the distribution of the Class B LP Units and Special Voting Units issued pursuant to the Concurrent Private Placement. The Class B LP Units and Special Voting Units issued pursuant to the Concurrent Private Placement, and all Units issuable upon exchange of the Class B LP Units issued pursuant to the Concurrent Private Placement, will be subject to a minimum statutory hold period of four months from the closing of the Offering. The independent members of the Board of Trustees of the REIT approved the terms of the Concurrent Private Placement based on the fact that the Class B LP Units and Special Voting Units issuable under the Concurrent Private Placement are the economic and voting equivalent of the Units that ECL would be entitled to receive under its pre-emptive right in respect of the Offering, and the form of investment by ECL is consistent with its prior investments in the REIT.

Other than the Class B LP Units and Special Voting Units to be issued to ECL in connection with the Concurrent Private Placement and certain other exceptions, the REIT has agreed not to offer or issue, or enter into an agreement to offer or issue, Units or any securities convertible or exchangeable for Units for a period of 90 days subsequent to the closing of the Offering without the consent of the Underwriters, which consent may not be unreasonably withheld.

The REIT has applied to list the Units issuable pursuant to the Offering on the TSX. Listing will be subject to the REIT fulfilling all listing requirements of the TSX. Closing of the Offering is conditional on the Units

issuable pursuant to the Offering being approved for listing on the TSX subject to the satisfaction of customary post-closing conditions.

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

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Units. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of the Units. These exceptions include: (i) a bid or purchase permitted under the by-laws and rules of the TSX relating to market stabilization and passive market making activities; and (ii) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution. Such transactions, if commenced, may be discontinued at any time.

In connection with the Offering, the Underwriters may effect transactions that stabilize or maintain the market price of the Units offered hereby at levels other than those which otherwise might prevail on the open market. Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Units while the Offering is in progress. As a result of these activities, the price of the Units offered hereby may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on the TSX, in the over-the counter market or otherwise.

The Units offered by this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), or the securities laws of any state, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in limited circumstances. The Underwriters have agreed that they will not offer or sell the Units within the United States, its territories or possessions or other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. Person (as such term is defined under the 1933 Act). In addition, until 40 days after the commencement of the Offering, an offer or sale of Units within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the 1933 Act if such offer is made otherwise than in compliance with Rule 144A.

Under the Underwriting Agreement, the REIT has agreed to indemnify and hold harmless the Underwriters and their respective officers, directors, employees, shareholders, partners, advisors and agents against certain liabilities.

RELATIONSHIP BETWEEN THE REIT AND CERTAIN UNDERWRITERS

Affiliates of each of CIBC World Markets Inc., Scotia Capital Inc., TD Securities Inc. and BMO Nesbitt Burns Inc. are lenders to the REIT under the Revolving Credit Facility. In addition, Paul D. Sobey, a trustee of the REIT, is a member of the board of directors of an affiliate of Scotia Capital Inc. Accordingly, the REIT may be considered to be a "connected issuer" of each of CIBC World Markets Inc., TD Securities Inc., Scotia Capital Inc. and BMO Nesbitt Burns Inc. within the meaning of applicable Canadian securities legislation.

As at March 12, 2012 approximately $60.0 million was outstanding under the Revolving Credit Facility. As at that date, the REIT was in compliance in all material respects with the terms and conditions of the Revolving Credit Facility and no breach thereunder has been waived by the lenders under such agreements since their execution. The Revolving Credit Facility is currently secured by first charges on six properties and related personal property held by the REIT, second mortgages on four properties and related personal property held by the REIT, and a security interest in all of the personal property of the REIT subject to certain exceptions relating to site specific financing. There has been no material change in the financial position of the REIT since the execution of the agreements governing the Revolving Credit Facility, except as described elsewhere in this short form prospectus and in the documents incorporated by reference herein. The decision to purchase Units by the Underwriters was made

independently of their affiliated lenders under the Revolving Credit Facility, and those lenders had no influence as to the determination of the terms of the distribution of the Units. The offering price of the Units and the other terms and conditions of the Offering were established through negotiations with the REIT and the Underwriters, without involvement of their affiliate lenders under the Revolving Credit Facility. In addition, none of CIBC World Markets Inc., Scotia Capital Inc., TD Securities Inc. and BMO Nesbitt Burns Inc. nor their affiliate lenders will receive any benefit from the Offering, other than these Underwriters' respective portion of the Underwriters' fee payable by the REIT as described below.

Shortly following closing of the Offering, Crombie expects to use all of the net proceeds of the Offering to fund a portion of the purchase price for the Acquisition. If the Acquisition does not close for any reason, the REIT expects to use the proceeds of the Offering to reduce a portion of the outstanding borrowings under the Revolving Credit Facility, for working capital and to fund future acquisitions that are not yet identified. The funds not immediately applied to the Revolving Credit Facility will be invested in short-term interest bearing instruments until used.

RETAINED INTEREST

Pursuant to the exchange agreement dated March 23, 2006 (the "**Exchange Agreement**") between the REIT, Crombie Subsidiary Trust, a trust established under the laws of the Province of Ontario, the sole unitholder of which is the REIT ("**CS Trust**"), Crombie LP, Crombie General Partner Limited, a company incorporated under the laws of Nova Scotia and which is a wholly-owned subsidiary of CS Trust ("**Crombie GP**") and ECL Properties Limited ("**ECL Properties**"), ECL Properties was granted certain rights in respect of the REIT, which include a pre-emptive right, for so long as ECL Properties and its affiliates continue to hold at least 10% of the Units (including Units issuable upon the exchange of the Class B LP Units of Crombie LP), to purchase Units in the REIT to maintain its pro rata ownership interest in the REIT. ECL Properties holds its interest in the REIT through its wholly-owned direct subsidiary ECL, a company existing under the laws of Nova Scotia, and has assigned its pre-emptive right to ECL.

As of the date hereof, ECL holds 44.6% of the economic and voting interest in the REIT through its ownership of 33,115,360 Class B LP Units and Special Voting Units. Each Class B LP Unit entitles the holder to cash distributions from Crombie LP equal to the distributions paid to holders of Units by the REIT. Each Class B LP Unit is accompanied by one Special Voting Unit of the REIT which provides the Class B LP Unit holder with the same voting rights in the REIT as one Unit provides to a Unitholder. Each Class B LP Unit is exchangeable into one Unit (subject to customary anti-dilution adjustments).

In connection with the Offering, the REIT was notified that in satisfaction of the pre-emptive rights of ECL under the Exchange Agreement to acquire Units of the REIT, ECL would prefer to subscribe for a number of Class B LP Units and Special Voting Units not to exceed the maximum number of Units to which ECL would be entitled under the pre-emptive right, to be consistent with its prior investments in the REIT. The independent members of the Board of Trustees of the REIT approved the terms of the Concurrent Private Placement based on the fact that the Class B LP Units and Special Voting Units issuable under the Concurrent Private Placement are the economic equivalent of the Units that ECL would be entitled to receive under its pre-emptive right in respect of the Offering, and the form of investment by ECL is consistent with its prior investments in the REIT. Consequently, concurrently with the closing of the Offering, pursuant to the Concurrent Private Placement, ECL will subscribe for, and Crombie LP and the REIT will issue to ECL, 3,655,200 Class B LP Units and the associated Special Voting Units, at a price per Class B LP Unit equal to the price per Unit under the Offering. The Concurrent Private Placement will be completed by way of an exemption from the prospectus requirements under the applicable securities laws.

Following closing of the Concurrent Private Placement and the Offering, ECL will hold a 44.5% economic and voting interest in the REIT through its ownership of 36,770,560 Class B LP Units and Special Voting Units. Should all Outstanding Debentures, including those held by Empire, be converted into Units in accordance with their terms, then ECL's economic and voting interest in the REIT could be decreased to approximately 40.7%.

DESCRIPTION OF UNITS

The following is a summary of the material attributes and characteristics of the Units. A more detailed summary of the attributes of the Units can be found in the REIT's AIF under the heading "Description of Capital Structure and Declaration of Trust".

General

The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of such Act or any other legislation. The Units are not shares in the REIT and Unitholders do not have statutory rights of shareholders of a corporation incorporated under either the *Business Corporations Act* (Ontario) or the *Canada Business Corporations Act* including, for example, the right to bring "oppression" or "derivative" actions. Furthermore, the REIT is not a trust company and accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

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

Units

Units do not have preference or priority over one another. No Unitholder has or is deemed to have any right of ownership of any of the assets of the REIT. Each Unit represents a Unitholder's proportionate undivided beneficial ownership interest in the REIT and confers the right to one vote at any meeting of Unitholders and to participate *pro rata* in any distributions by the REIT, whether of net income, net realized capital gains or other amounts and, in the event of termination of the REIT, in the net assets of the REIT remaining after satisfaction of all liabilities. Units are fully paid and non-assessable when issued (unless issued on an instalment receipt basis) and are transferable.

Special Voting Units

Special Voting Units have no economic entitlement in the REIT but entitle the holder to one vote per Special Voting Unit at any meeting of the Unitholders of the REIT. Special Voting Units may only be issued in connection with or in relation to Class B LP Units for the purpose of providing voting rights with respect to the REIT to the holders of such securities. Special Voting Units are issued in conjunction with the Class B LP Units to which they relate, and are evidenced only by the certificates representing such Class B LP Units. Special Voting Units are not transferable separately from the Class B LP Units to which they are attached and are automatically transferred upon the transfer of such Class B LP Unit. Each Special Voting Unit entitles the holder thereof to that number of votes at any meeting of Unitholders that is equal to the number of Units that may be obtained upon the exchange of the Class B LP Unit to which such Special Voting Unit is attached. Upon the exchange or surrender of a Class B LP Unit for a Unit, the Special Voting Unit attached to such Class B LP Unit will automatically be redeemed and cancelled for no consideration without any further action of the trustees, and the former holder of such Special Voting Unit will cease to have any rights with respect thereto

Redemption Right

Each Unitholder is entitled to require the REIT to redeem at any time or from time to time at the demand of the Unitholder all or any part of the Units registered in the name of the Unitholder at the prices determined and payable in accordance with the conditions provided in the Declaration of Trust.

Purchases of Units by the REIT

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

Issuance of Units

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

Immediately after any *pro rata* distribution of Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated so that each Unitholder will hold, after the consolidation, the same number of Units as the Unitholder held before the non-cash distribution. In this case, each certificate representing a number of Units prior to the non-cash distribution is deemed to represent the same number of Units after the non-cash distribution and the consolidation. Where amounts distributed represent income, non-resident holders will be subject to withholding tax and the consolidation will not result in such non-resident Unitholders holding the same number of Units.

Such non-resident Unitholders will be required to surrender the certificates (if any) representing their original Units in exchange for a certificate representing post-consolidation Units.

The REIT may also issue new Units as consideration for the acquisition of new properties or assets by it, at a price or for the consideration determined by the trustees, or pursuant to any incentive or option plan established by the REIT from time to time.

Book-Based System

Except as otherwise provided below, the Units are represented in the form of one or more fully registered global unit certificates held by, or on behalf of, CDS, as depository of such global unit certificates for the participants of CDS, registered in the name of CDS or its nominee, and registration of ownership and transfers of the Units are effected only through the book-based system administered by CDS. On closing of the Offering, CDS will credit interests in the global unit certificates representing the Units to the accounts of its participants as directed by the Underwriters.

Except as described below, no purchaser of a Unit is entitled to a certificate or other instrument from the REIT evidencing that purchaser's ownership thereof, and no holder of a beneficial interest in a Unit is shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of the beneficial owners. CDS is responsible for establishing and maintaining book-entry accounts for its participants having interests in the global unit certificates. Sales of interests in the global unit certificates can only be completed through participants in the depository services of CDS.

Units are issued in fully registered form to holders or their nominees, if any, who purchase the Units pursuant to the private placement of Units made in reliance upon Rule 144A adopted under the *U.S. Securities Act* and to transferees thereof in the United States who purchase such Units in reliance upon such Rule. If any such privately placed Units represented by definitive certificates are subsequently traded into Canada, the registrar and transfer agent will deliver a certificate registered in the name of CDS or its nominee representing such Units and, thereafter, registration of ownership and transfers of such Units will be made through the book-based system administered by CDS.

Except in the case of United States purchasers purchasing the Units under Rule 144A, Units will be issued in fully registered form to holders or their nominees, other than CDS or its nominee, only if: (i) the REIT is required to do so by applicable law; (ii) the depository system of CDS ceases to exist; (iii) the REIT determines that CDS is no longer willing or able or qualified to discharge properly its responsibility as depository and the REIT is unable to locate a qualified successor; or (iv) the REIT at its option elects to terminate the book-entry system in respect of the Units through CDS.

Transfer and Exchange of Units

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

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

Registered holders of definitive certificates representing Units may transfer such Units upon payment of taxes or other charges incidental thereto, if any, by executing and delivering a form of transfer together with the Unit certificates to the registrar for the Units at its principal office in the City of Toronto, Ontario or such other city or cities as may from time to time be designated by the REIT, whereupon new Unit certificates will be issued in authorized denominations in the same aggregate principal amount as the Unit certificates so transferred, registered in the name of the transferees. Any request to transfer or exchange Units may not be honoured by the REIT and the transfer agent for the Units if such transfer or exchange is in contravention of United States federal and state securities laws or would require the REIT to register as an investment company under the United States *Investment Company Act of 1940*.

Limitation on Non-Resident Ownership

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

Approval Rights

The Declaration of Trust provides that the REIT may not, without the approval of ECL so long as ECL or its affiliates hold or control at least 20% of the Units and the Special Voting Units collectively, issue any securities that, in the aggregate, would result in the dilution of ECL's voting interest to a level less than that required to be maintained pursuant to any agreements to which the REIT is a party.

Amendments to Declaration of Trust

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

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

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

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

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

(d) the sale or transfer of the assets of any of the REIT or its subsidiaries as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of any of the REIT or its Subsidiaries approved by the trustees);

(e) the termination of any of the REIT or its subsidiaries;

(f) the combination, amalgamation or arrangement of any of the REIT or its subsidiaries with any other entity; and

(g) except as described herein, the amendment of the investment guidelines and operating policies of the REIT set out in the Declaration of Trust.

Upon the recommendation of the Independent Trustees (as defined in the Declaration of Trust) of the REIT, the Trustees may, without the approval of the Unitholders, make certain amendments to the Declaration of Trust, including amendments:

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

(i) which, in the opinion of the trustees, provide additional protection for the Unitholders;

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

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

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

(m) which, in the opinion of the Trustees, are necessary or desirable: (i) as a result of changes in taxation or other laws, or to ensure continuing compliance with IFRS for January 1, 2010 and thereafter; or (ii) to ensure the Units qualify as equity for purposes of IFRS for January 1, 2010 and thereafter;

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

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

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

Distributions

The following outlines the distribution policy of the REIT as contained in the Declaration of Trust. Subject to compliance with such distribution policy, determinations as to the amounts actually distributable are made in the sole discretion of the trustees.

Pursuant to the Declaration of Trust, cash distributions are to be determined by the trustees in their discretion. The REIT intends to make distributions to Unitholders at least equal to the amount of net income, net realized capital gains and net recapture income of the REIT as is necessary to ensure that the REIT will not be liable for ordinary income taxes on such income. Any increase or reductions in the percentage of income to be distributed to Unitholders will result in a corresponding increase or decrease in distributions on Class B LP Units.

Distributions are made to Unitholders of record as at the close of business on the last business day of the month preceding a distribution date. Distributions may be adjusted for amounts paid in prior periods if the actual distribution for the prior periods is greater than or less than the estimates for the prior periods. Under the Declaration of Trust and pursuant to the distribution policy of the REIT, where the REIT's cash is not sufficient to make payment of the full amount of a distribution, such payment will, to the extent necessary, be distributed in the form of additional Units.

Crombie LP is the primary source of cash flow to fund distributions to Unitholders. The amended and restated Crombie LP limited partnership agreement dated March 23, 2006 between ECL Properties, CS Trust and Crombie GP (the "**Crombie LP Agreement**") requires Crombie LP to make monthly cash distributions to CS Trust and to holders of Class B LP Units equal to the distribution payout ratio set by the REIT from time to time. Crombie LP retains the discretion to make unequal distributions to account for expenses incurred or income earned by CS Trust and the REIT so that distributions to be made to Class B LP Units are economically equivalent, to the greatest extent possible, to the distributions that the holder of Class B LP Units would have received if they were holding Units instead of Class B LP Units.

The REIT paid a cash distribution of $0.08602 per Unit for the period of March 23, 2006 up to and including April 30, 2006. The REIT paid a cash distribution of $0.0667 per Unit for each of the months of May 2006 through December 2006. The monthly distributions paid by the REIT during the fiscal years 2007, 2008, 2009, 2010, 2011 and 2012 are as follows:

	2007	2008	2009	2010	2011	2012
Month	**$/unit**	**$/unit**	**$/unit**	**$/unit**	**$/unit**	**$/unit**
January	$0.06670	$0.07083	$0.07417	$0.07417	$0.07417	$0.07417
February	$0.06670	$0.07083	$0.07417	$0.07417	$0.07417	$0.07417
March	$0.06917	$0.07083	$0.07417	$0.07417	$0.07417	
April	$0.06917	$0.07083	$0.07417	$0.07417	$0.07417	
May	$0.07083	$0.07417	$0.07417	$0.07417	$0.07417	
June	$0.07083	$0.07417	$0.07417	$0.07417	$0.07417	
July	$0.07083	$0.07417	$0.07417	$0.07417	$0.07417	

	2007	2008	2009	2010	2011	2012
Month	**$/unit**	**$/unit**	**$/unit**	**$/unit**	**$/unit**	**$/unit**
August	$0.07083	$0.07417	$0.07417	$0.07417	$0.07417	
September	$0.07083	$0.07417	$0.07417	$0.07417	$0.07417	
October	$0.07083	$0.07417	$0.07417	$0.07417	$0.07417	
November	$0.07083	$0.07417	$0.07417	$0.07417	$0.07417	
December	$0.07083	$0.07417	$0.07417	$0.07417	$0.07417	
TOTAL:	**$0.83838**	**$0.87668**	**$0.89004**	**$0.89004**	**$0.89004**	**$0.14834**

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stewart McKelvey, counsel to the REIT, and Davies Ward Phillips & Vineberg LLP, counsel to the Underwriters, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to the acquisition, holding and disposition of the Units by a holder who acquired such Units pursuant to this short form prospectus. This summary is applicable to a holder, who, for purposes of the Tax Act, is resident in Canada, deals at arm's length with and is not affiliated with the REIT or the Underwriters and holds the Units as capital property (a "**Holder**"). Generally, Units will be considered to be capital property to a Holder provided that the Holder does not hold the Units in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have them (and every other "Canadian security" owned by the taxpayer in that taxation year or any subsequent taxation year) treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such Holders of Units should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a Holder (i) that is a "financial institution", (ii) that is a "specified financial institution", (iii) an interest in which is a "tax shelter investment" or (iv) has elected to determine its Canadian tax results in accordance with the "functional currency" rules, as each of those terms is defined in the Tax Act. Such Holders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of Units acquired pursuant to this short form prospectus. In addition, this summary does not address the deductibility of interest by a Holder who has borrowed to acquire Units.

This summary is based on certain representations as to factual matters made in a certificate signed by an officer of the REIT and provided to counsel (the "**Officer's Certificate**"). This summary assumes that the representations made in the Officer's Certificate, including the representations whose satisfaction will ensure that the REIT will qualify and continue to qualify as a "mutual fund trust", are true and correct and that the REIT has and will at all times comply with the Declaration of Trust, and that the REIT does and will continue to qualify as a "mutual fund trust" under the provisions of the Tax Act while the Units remain outstanding.

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

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the Holder's particular circumstances. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any prospective purchaser of Units.

Consequently, a prospective Holder should consult the Holder's own tax advisor for advice with respect to the tax consequences of an investment in Units based on the prospective Holder's particular circumstances.

Status of the REIT

Mutual Fund Trust

This summary is based on the assumption that the REIT qualifies as a "mutual fund trust" as defined in the Tax Act on completion of the Offering and will thereafter continuously qualify as a mutual fund trust. This summary also assumes that the REIT was not established and was not and will not be maintained primarily for the benefit of non-residents of Canada or partnerships that are not Canadian partnerships and that the SIFT Regime (as described in more detail below under "SIFT Regime") is not applicable to the REIT.

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

If the Tax Proposals released by the Minister on September 16, 2004 are enacted as proposed, the REIT may cease to qualify as a mutual fund trust for purposes of the Tax Act if, at any time after 2004, the fair market value of all Units held by non-residents or partnerships which are not "Canadian partnerships" as defined in the Tax Act (or any combination thereof) is more than 50% of the fair market value of all issued and outstanding units of the REIT. The Tax Proposals currently do not provide any means of rectifying a loss of mutual fund status.

Qualified Investment

The Units will be qualified investments under the Tax Act for Exempt Plans. See "Eligibility for Investment".

If the REIT ceases to qualify as a mutual fund trust and the Units are no longer listed on a designated stock exchange, the Units will cease to be qualified investments for Exempt Plans. Series 2 and Series 3 Trust Notes of CS Trust or other property received as a result of an *in specie* redemption of Units by the REIT would not be qualified investments for Exempt Plans, which could give rise to adverse consequences to the Exempt Plan or the annuitant or beneficiary thereunder. Accordingly, Exempt Plans that own Units should consult their own tax advisors before deciding to exercise the redemption rights attached to the Units.

Taxation of the REIT

The taxation year of the REIT is the calendar year. In each taxation year, the REIT will be subject to tax under Part I of the Tax Act on its income for the year, including net realized taxable capital gains, less the portion thereof that it deducts in respect of the amounts 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 the REIT or if the Unitholder is entitled in that year to enforce payment of the amount.

The REIT's income will be determined under the Tax Act for each taxation year. The REIT's income will include such amount of income (including net realized taxable capital gains) as is paid or becomes payable to the REIT in the year in respect of CS Trust Units (and that CS Trust deducts in computing its income) and all interest on the Series 1 Trust Notes of CS Trust that accrues to the REIT to the end of the year, or that becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year. The REIT generally will not be subject to tax on any amount received as a repayment of principal in respect of the Series 1 Trust Notes, advances from CS Trust or any amount received as a return of capital from CS Trust in respect of CS Trust Units (provided that the amount of capital returned, if any, does not exceed the cost amount of the CS Trust Units held by the REIT).

Upon redemption of CS Trust Units in exchange for Series 2 Trust Notes and Series 1 Trust Notes in exchange for Series 3 Trust Notes, in connection with an *in specie* redemption of Units by the Unitholder, the REIT will be considered to dispose of the CS Trust Units and the Series 1 Trust Notes for proceeds of disposition equal to the fair market value of the Series 2 Trust Notes and Series 3 Trust Notes, respectively (which may give rise to income or capital gains to the REIT).

A distribution by the REIT of its property upon a redemption of Units will be treated as a disposition by the REIT of the property so distributed. The REIT's proceeds from the disposition of Series 2 and Series 3 Trust Notes on the distribution by the REIT of such CS Trust Notes to a Unitholder on an *in specie* redemption of Units will generally be equal to the fair market value of such CS Trust Notes. Such proceeds of disposition will generally be reduced by any accrued but unpaid interest in respect thereof. Such interest will generally be included in the REIT's income in the year of disposition to the extent it was not included in the REIT's income in a previous year. The REIT will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition of the CS Trust Units and the CS Trust Notes exceed (or are less than) the adjusted cost base of the CS Trust Units and the CS Trust Notes, respectively, and any reasonable costs of disposition.

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

Counsel has been advised that, an amount equal to all of the income of the REIT (determined without deduction for any distributions made by it and without regard to any dividend gross-up), including net realized taxable capital gains (other than income and taxable capital gains of the REIT arising on or in connection with an *in specie* redemption of Units which are paid or payable by the REIT to redeeming Unitholders and capital gains the tax on which may be offset by capital losses carried forward from prior years or is recoverable by the REIT), and the non-taxable portion of net realized capital gains of the REIT, will be payable by it in each year to the holders of the Units by way of cash distributions, subject to the exceptions described below. Under the Declaration of Trust, income of the REIT may also be used to finance purchases of Units for cash and accordingly would not be payable to Unitholders by way of cash distributions but rather will be payable in the form of additional Units ("**Reinvested Units**"). Income of the REIT (including net taxable capital gains) payable to Unitholders, whether in cash, Series 2 or Series 3 Trust Notes or Reinvested Units, will generally be deductible by the REIT in computing its income.

Counsel has been advised that the REIT intends to deduct in computing its income for purposes of the Tax Act the full amount available for deduction in each taxation year to the extent of its taxable income for the year otherwise determined so that the REIT will generally not be liable in such year for income tax under Part I of the Tax Act. Counsel can provide no opinion in this regard.

The REIT 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 the REIT's tax liability for such taxation year. The Declaration of Trust provides that all or a portion of the income, including the taxable portion of any capital gains, realized by the REIT arising on or in connection with an *in specie* redemption of Units may, at the discretion of the Trustees, be paid or payable to, and as applicable designated as a taxable capital gain of, the redeeming Unitholders. Any amount so paid or payable must be included in the income of the redeeming Unitholders and will be deductible by the REIT. In addition, any accrued interest on CS Trust Notes distributed to a redeeming Unitholder will be treated as an amount paid or payable to such Unitholder and will be deductible by the REIT.

Losses of the REIT cannot be allocated to Unitholders but may be deducted by the REIT in future years, subject to and in accordance with the detailed rules in the Tax Act in that regard.

SIFT Regime

A taxation regime in the Tax Act applies to specified investment flow-through trusts or partnerships ("**SIFTs**"). If the REIT were to become subject to this regime (the "**SIFT Regime**"), the REIT would generally be taxed in a manner similar to corporations on income from business carried on in Canada by the REIT, and on income (other than taxable dividends) or capital gains from non-portfolio properties (as defined in the Tax Act), at a combined federal/provincial tax rate similar to that of a corporation. Allocations or distributions of income and capital gains that are subject to the SIFT Rules will be taxed as a dividend from a taxable Canadian corporation in the hands of the beneficiaries or partners of the SIFT.

REIT Exception

The SIFT Regime is not applicable to real estate investment trusts ("**REITs**") that meet certain specified criteria relating to the nature of their income and investments. In particular, to qualify under the Tax Act as it is proposed to be amended by Tax Proposals announced on December 16, 2010, for the exception under the SIFT Regime applicable to REITs (the "**REIT Exception**") in a particular taxation year (i) not less than 90% of the REIT's "non-portfolio property" must be "qualified REIT properties", (ii) not less than 90% of the REIT's "gross REIT revenues" for the taxation year must be derived from one or more of the following: "rent from real or immovable properties"; interest; capital gains from dispositions of "real or immovable properties"; dividends; royalties; and gains from the disposition of certain real estate inventory properties which are contiguous to "real or immovable property" and that are necessary and incidental to the holding of such property.; (iii) not less than 75% of the REIT's "gross REIT revenues" for the taxation year must be derived from one or more of the following: "rent from real or immovable properties", interest from mortgages, or hypothecs, on "real or immovable properties"; and capital gains from dispositions of "real or immovable properties"; and (iv) at no time in the taxation year may the total fair market value of all properties held by the REIT, each of which is a "real or immovable property", indebtedness of a Canadian corporation represented by a bankers' acceptance, cash (including bank deposits or deposits with a credit union), or, generally, a debt obligation of a government in Canada or certain other public bodies, be less than 75% of the fair market value of all the REIT's issued and outstanding units at that time. The definition of "qualified REIT property" includes property held by the REIT that is: "real or immovable property" and capital property of the REIT; a security of a "subject entity" that is a nominee holder of legal title of certain real or immovable property; tangible personal property (or corporeal moveable property) that is ancillary to the earning by the REIT of (A) rent from "real or immovable property" or (B) capital gains from the disposition of such properties. The REIT has advised counsel that it has undertaken certain steps in order to provide greater certainty that it currently qualifies as a "real estate investment trust" for the purposes of the SIFT Regime.

Taxation of CS Trust

The taxation year of CS Trust is the calendar year. In each taxation year, CS Trust will be subject to tax under Part I of the Tax Act on its income for the year, including net realized taxable capital gains, less the portion thereof that it deducts in respect of amounts paid or payable in the year to its sole unitholder, the REIT. The income of CS Trust will include its share of the income of Crombie LP for each fiscal year of Crombie LP ending on or before the year-end of CS Trust. If Crombie LP were to incur losses for tax purposes, CS Trust's ability to deduct such losses may be limited by certain rules under the Tax Act.

In computing its income for purposes of the Tax Act, CS Trust may deduct reasonable administrative costs and other reasonable expenses incurred by it for the purpose of earning income, generally including reasonable interest on borrowed funds. Under the CS Trust Declaration, an amount equal to all of the income of CS Trust including net realized taxable capital gains and the non-taxable portion of net realized capital gains of CS Trust, will be payable in the year to the REIT.

Counsel has been advised that CS Trust intends to deduct in computing its income for purposes of the Tax Act the full amount available for deduction in each taxation year to the extent of its taxable income for the year otherwise determined so that CS Trust will generally not be liable in such year for income tax under Part I of the Tax Act. Counsel can provide no opinion in this regard.

Taxation of Crombie LP

Crombie LP is not subject to tax under the Tax Act. Each partner of Crombie LP, including CS Trust, will be required to include in computing the partner's income the partner's share of the income or loss of Crombie LP for its fiscal year ending in or coincidentally 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 Crombie LP will be computed for each fiscal year as if Crombie LP were a separate person resident in Canada. In computing the income or loss of Crombie LP, deductions will be claimed in respect of its reasonable administrative and other expenses incurred for the purpose of earning income from business or property (generally including reasonable interest on borrowed funds) and available capital cost allowances. The income (including taxable capital gains) or loss of Crombie LP for a fiscal year will be allocated to the partners of Crombie LP, including the CS Trust, on the basis of their respective shares of such income or loss determined in accordance with the terms of the LP Agreement, subject to the detailed

rules in the Tax Act in that regard. Crombie LP will include, in computing its income for these purposes, its share of the income (or in many circumstances, the loss) for purposes of the Tax Act of Crombie Properties II Partnership for its fiscal year ending in or coincidentally with Crombie LP's taxation year.

Crombie LP is not subject to taxation in its current taxation year under the SIFT Regime based on all equity interests in Crombie LP being held throughout the year directly or indirectly by the REIT and a taxable Canadian corporation (ECL). Management has advised counsel that it also does not anticipate that Crombie LP will be subject to such tax in any subsequent taxation year.

Taxation of CDL

The taxation year of Crombie Developments Limited ("**CDL**") is the calendar year. In each taxation year, each such subsidiary is subject to tax on its taxable income determined under the Tax Act.

Taxation of Resident Unitholders

The following portion of the summary applies to Holders that acquire Units under the terms of the Offering ("**Resident Unitholders**").

Distributions

A Resident Unitholder will generally be required to include in income for a particular taxation year the portion of the net income of the REIT for a taxation year, including net realized taxable capital gains, that is paid or payable to the Resident Unitholder in the particular taxation year (and that the REIT deducts in computing its income), whether such portion is received in cash, additional Units or otherwise.

The after-tax return from an investment in Units to Resident Unitholders subject to Canadian federal income tax will depend, in part on the composition for tax purposes of distributions paid by the REIT (portions of which may be fully or partially taxable or may constitute non-taxable returns of capital). The composition for tax purposes of those distributions may change over time, thus affecting the after-tax return to Resident Unitholders.

The Declaration of Trust provides that income and net taxable capital gains of the REIT for purposes of the Tax Act will be allocated to Resident Unitholders in the same proportion as distributions received by Resident Unitholders, subject to the discretion of the Trustees to adopt an allocation method which the Trustees consider to be more reasonable in the circumstances.

Provided that appropriate designations are made by the REIT and CS Trust, such portion of net taxable capital gains as is paid or payable to a Resident Unitholder will effectively retain its character and be treated as such in the hands of the Resident Unitholder for purposes of the Tax Act. As a result of designations that may be made by CS Trust in respect of distributions made by it to the REIT that are considered under the Tax Act to be traceable to any dividends paid by CDL to Crombie LP, the REIT may be deemed for purposes of the Tax Act to have received taxable dividends from a taxable Canadian corporation. To the extent that amounts distributed by the REIT to Resident Unitholders are designated as taxable dividends from a taxable Canadian corporation, the gross-up and dividend tax credit rules, including the enhanced dividend tax credit applicable to certain dividends will apply in respect of Resident Unitholders who are individuals, the refundable tax under Part IV of the Tax Act will be payable by Resident Unitholders that are private corporations (or certain other corporations controlled directly or indirectly by or for the benefit of an individual or related group of individuals) and the deduction in computing taxable income generally will be available to Resident Unitholders that are corporations. An additional refundable 6⅔% tax will be payable by Resident Unitholders that are "Canadian-controlled private corporations" (as defined in the Tax Act) in certain circumstances.

The non-taxable portion of any net realized capital gains of the REIT paid or payable to a Resident Unitholder in a taxation year will not be included in computing the Resident Unitholder's income for the year. Any other amount in excess of the net income of the REIT that is paid or payable to a Resident Unitholder in such year (otherwise than as proceeds of disposition of the Units), will not generally be included in the Resident Unitholder's income for the year but will reduce the adjusted cost base of the Units held by the Resident Unitholder. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a

capital gain realized by the Resident Unitholder from the disposition of the Unit and will be added to the adjusted cost base of the Unit so that the adjusted cost base will be re-set to zero.

Purchasers of Units

Since distributions are made on a monthly basis, a Resident Unitholder may become taxable on a portion of the net income of the REIT accrued or realized by the REIT in a month before the time the Unit was acquired by such Resident Unitholder but which was not paid or made payable to Resident Unitholders until the end of the month and after the time the Unit was acquired. A similar result may apply on an annual basis in respect of a portion of capital gains accrued or realized by the REIT in a year before the time the Unit was acquired but which is paid or made payable to Resident Unitholders at year end and after the time the Unit was acquired.

Dispositions of Units

On the disposition or deemed disposition of a Unit, including on the redemption of the Unit, the Resident Unitholder will realize a capital gain (or capital loss) equal to the amount by which the Resident Unitholder'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 an amount payable by the REIT that is otherwise required to be included in the Resident Unitholder's income (such as an amount designated as payable by the REIT to a redeeming Resident Unitholder out of the capital gains or income of the REIT as described above).

For the purpose of determining the adjusted cost base to a Resident Unitholder of Units, 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 Resident Unitholder as capital property immediately before that time. Where Units are redeemed and the redemption price is satisfied by the distribution of Series 2 or Series 3 Trust Notes, or other property of the REIT, to the redeeming Resident Unitholder, the proceeds of disposition to the Resident Unitholder of the Units will be equal to the fair market value of the Series 2 or Series 3 Trust Notes, or other property of the REIT, so distributed less any income or capital gain realized by the REIT as a result of or in connection with such distribution which is paid or payable by the REIT to the redeeming Resident Unitholder including, in the case of Series 2 or Series 3 Trust Notes, any accrued interest thereon. Where any income or a capital gain is realized by the REIT upon or in connection with an *in specie* distribution of property on a redemption of Units and such income or gain is paid or payable by the REIT to a redeeming Resident Unitholder, the Resident Unitholder will be required to include the income, or the taxable portion of the capital gain, designated by the REIT, in the Resident Unitholder's income. Under the Declaration of Trust, at the discretion of the Trustees, interest accrued in the taxation year of the REIT in which the redemption occurs on Series 2 or Series 3 Trust Notes distributed on or in connection with an *in specie* distribution of property on a redemption of Units which has not been paid at the time of such distribution may be paid or payable to the Resident Unitholder and therefore may be included in the Resident Unitholder's income in the year the Unit is redeemed. The cost to a Resident Unitholder of any Series 2 or Series 3 Trust Notes or other property of the REIT distributed by the REIT to the Resident Unitholder upon a redemption of Units will be equal to the fair market value of such property at the time of the distribution less, in the case of a Series 2 or Series 3 Trust Note, any accrued but unpaid interest. The Resident Unitholder will thereafter be required to include in income interest on any Series 2 or Series 3 Trust Note so distributed in accordance with the provisions of the Tax Act. To the extent such interest inclusion is in respect of any interest accrued to the date of the acquisition of a Series 2 or Series 3 Trust Note by the Resident Unitholder, an offsetting deduction generally will be available.

The consolidation of Units of the REIT will not be considered to result in a disposition of Units by Resident Unitholders. The aggregate adjusted cost base to a Resident Unitholder of all of the Resident Unitholder's Units will not change as a result of a consolidation of Units; however, the adjusted cost base per Unit will increase.

Capital Gains and Capital Losses

One-half of any capital gain realized by a Resident Unitholder on a disposition or deemed disposition of Units and the amount of any net taxable capital gains designated by the REIT in respect of a Resident Unitholder will be included in the Resident Unitholder's income as a taxable capital gain. One-half of any capital loss realized by a Resident Unitholder on a disposition or deemed disposition of Units may generally be deducted only from taxable capital gains, subject to and in accordance with the provisions of the Tax Act.

A Resident Unitholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6⅔% on certain types of income, including taxable capital gains.

Where a Resident Unitholder that is a corporation or trust (other than a mutual fund trust) disposes of a Unit, the Resident Unitholder's capital loss from the disposition will generally be reduced by the amount of dividends, previously designated by the REIT to the Resident Unitholder 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.

Alternative Minimum Tax

In general terms, net income of the REIT paid or payable to a Resident Unitholder, who is an individual or a certain type of trust, that is designated as net taxable capital gains and capital gains realized on the disposition of Units by such a Resident Unitholder, may increase the Resident Unitholder's liability for alternative minimum tax.

PRIOR SALES

No Units, or any securities convertible into or exchangeable for Units, have been issued by the REIT within the last 12 months, other than as set out below.

On March 31, 2011, 21,417 Units were issued pursuant to the REIT's employee unit purchase plan at a price of $13.10 per Unit.

On October 20, 2011, the REIT completed a public offering of 3,510,000 REIT units, at a price of $12.85 per unit for gross proceeds of approximately $45.1 million.

The following table summarizes conversion of the 7.0% Debentures to Units during the 12 month period prior to the date of this short form prospectus at a conversion price of $13.00 per Unit.

Date of Issuance	Number of Units Issued
January 30, 2012	2,230
February 10 , 2012	5,000
February 27, 2012	769
February 28, 2012	12,615
March 7, 2012	307

The following table summarizes conversion of the Series B Debentures to Units during the 12 month period prior to the date of this short form prospectus at a conversion price of $11.00 per Unit.

Date of Issuance	Number of Units Issued	Date of Issuance	Number of Units Issued
March 14, 2011	1,818	August 30, 2011	674,818
March 24, 2011	4,545	September 6, 2011	181,818
May 27, 2011	55,181	September 23, 2011	909
May 30, 2011	90	November 10, 2011	363
June 13, 2011	7,636	November 16, 2011	363
June 23, 2011	454	November 29, 2011	16,363
July 11, 2011	227,272	December 20, 2011	1,454
July 20, 2011	363	January 10, 2012	2,272
July 25, 2011	545	February 7, 2012	4,545
July 27, 2011	74,181	February 24, 2012	4,363
August 19, 2011	105,636	February 28, 2012	2,727
August 22, 2011	136,363		

TRADING PRICE AND VOLUME

Units

The Units are listed and posted for trading on the TSX under the symbol "CRR.UN". The following table sets forth information relating to the trading of the Units on the TSX for the months indicated.

Month	High	Low	Volume
March 2011	$13.15	$12.06	1,038,554
April 2011	$13.19	$12.64	1,495,943
May 2011	$13.28	$12.85	1,566,259
June 2011	$13.30	$12.85	1,968,144
July 2011	$13.56	$12.97	1,173,635
August 2011	$13.14	$10.26	1,669,404
September 2011	$13.30	$12.40	1,833,764
October 2011	$13.33	$12.14	2,177,881
November2011	$13.63	$12.82	1,693,789
December 2011	$14.19	$13.04	1,629,396
January 2012	$14.35	$13.67	1,792,082
February 2012	$14.59	$14.03	1,729,517
March 2012 (1-13)	$14.64	$13.97	843,367

On March 8, 2012 the last full trading day prior to the public announcement of the Offering, the closing price of the Units on the TSX was $14.63. On March 13, 2012, the last trading day prior to the date of this short form prospectus, the closing price of the Units on the TSX was $14.49.

7.0% Debentures

The 7.0% Debentures are listed and posted for trading on the TSX under the symbol "CRR.DB". The following table sets forth information relating to the trading of the 7.0% Debentures on the TSX for the months indicated.

Month	High	Low	Volume
March 2011	$105.02	$103.27	423,000
April 2011	$105.00	$103.50	296,000
May 2011	$105.00	$105.00	60,000
June 2011	$106.58	$103.00	184,000
July 2011	$106.00	$104.60	146,000
August 2011	$104.90	$102.00	163,000
September 2011	$105.00	$102.60	373,000
October 2011	$103.50	$101.00	342,000
November2011	$107.00	$104.50	462,000
December 2011	$107.00	$104.00	511,000
January 2012	$109.00	$106.42	676,000
February 2012	$112.00	$108.09	1,772,000
March 2012 (1-13)	$112.00	$109.80	458,000

On March 8, 2012, the last full trading day prior to the public announcement of the Offering, the closing price of the 7.0% Debentures on the TSX was $111.85. On March 13, 2012, the last trading day prior to the date of this short form prospectus, the closing price of the 7.0% Debentures on the TSX was $111.40.

Series B Debentures

The Series B Debentures are listed and posted for trading on the TSX under the symbol "CRR.DB.B". The following table sets forth information relating to the trading of the Series B Debentures on the TSX for the months indicated.

Month	High	Low	Volume
March 2011	$118.75	$112.98	612,000
April 2011	$119.69	$114.99	916,000
May 2011	$120.32	$117.58	8,078,000
June 2011	$120.32	$117.08	5,534,000
July 2011	$122.57	$117.88	1,105,000
August 2011	$121.94	$106.00	968,000
September 2011	$120.00	$115.00	2,718,000
October 2011	$129.95	$110.99	689,000
November2011	$123.00	$117.37	1,268,000
December 2011	$129.00	$119.30	993,000
January 2012	$129.94	$125.23	1,837,000
February 2012	$133.05	$127.20	940,000
March 2012 (1-13)	$132.31	$130.00	597,000

On March 8, 2012, the last full trading day prior to the public announcement of the Offering, the closing price of the Series B Debentures on the TSX was $132.31. On March 13, 2012, the last trading day prior to the date of this short form prospectus, the closing price of the Series B Debentures on the TSX was $130.73.

Series C Debentures

The Series C Debentures are listed and posted for trading on the TSX under the symbol "CRR.DB.C". The following table sets forth information relating to the trading of the Series C Debentures on the TSX for the months indicated.

Month	High	Low	Volume
March 2011	$103.50	$102.51	368,000
April 2011	$104.00	$102.01	375,000
May 2011	$103.25	$101.85	209,000
June 2011	$103.00	$101.55	245,000
July 2011	$103.00	$101.90	188,000
August 2011	$104.00	$100.00	576,000
September 2011	$103.00	$101.60	615,000
October 2011	$103.00	$101.00	571,000
November2011	$103.00	$101.15	494,000
December 2011	$106.45	$102.50	333,000
January 2012	$105.00	$103.54	59,000
February 2012	$105.80	$104.00	865,000
March 2012 (1-13)	$105.75	$104.50	253,000

On March 8, 2012, the last full trading day prior to the public announcement of the Offering, the closing price of the Series C Debentures on the TSX was $105.75. On March 13, 2012, the last trading day prior to the date of this short form prospectus, the closing price of the Series C Debentures on the TSX was $104.83.

RISK FACTORS

An investment in securities of the REIT involves risk. Any prospective investor should carefully consider the risk factors set forth in the information incorporated by reference herein (including those discussed in the Risk Management section of the REIT's management's discussion and analysis of the consolidated financial condition of the results and operations of the REIT for the year ended December 31, 2011, and in the "Risks" section of the REIT's AIF), and all of the other information contained in this short form prospectus (including, without limitation, the documents incorporated by reference), before purchasing any of the securities distributed under this short form prospectus. The risks described herein are not the only risks facing the REIT. Additional risks and uncertainties not currently known to the REIT, or that the REIT currently deems immaterial, may also materially and adversely affect its business.

Risks Related to the Acquisition

Conditions to Closing may not be Satisfied

The Acquisition is subject to the satisfaction of certain customary conditions, including Competition Act approval. It is possible that the Acquisition will not close because these conditions cannot be met, or that it will not close on the same terms as disclosed, including expected timing, because of a failure to satisfy conditions. In the event that all or any part of the Acquisition is not completed for any reason, the net proceeds from the Offering may be used to reduce the outstanding borrowings under the Revolving Credit Facility, for working capital and to fund future acquisitions that are not yet identified. The funds not immediately applied to the Revolving Credit Facility will be invested in short-term interest bearing instruments until used. See "Use of Proceeds". These alternative uses of the net proceeds from the Offering and the Concurrent Private Placement may not generate levels of cash flow comparable to the Acquisition, and may result in dilution to unitholders.

Waiver of Certain Conditions

The REIT has waived conditions to the closing of the Acquisition relating to its due diligence investigation of the Acquisition Properties and receipt of consents to the assignment of mortgages from the applicable lenders. As a result, the REIT may not be able to terminate the Acquisition, or obtain any price adjustment or other compensation, in the event that any material issues are discovered prior to closing. The REIT's investigation into matters such as the environmental and physical condition of the properties, and the terms, status and compliance with applicable law of the tenant leases is ongoing. As a result, there may be environmental contamination and/or deficiencies in physical condition discovered or leases that are not in good standing or that may be terminated by the tenant in certain circumstances, for which the REIT may have no remedy against the vendors. In addition, the Acquisition is not subject to a financing condition and consequently if the applicable lenders do not consent to the assumption of the outstanding mortgages on the Acquisition Properties, the REIT may have to obtain additional financing in order to close the Acquisition. Unless there is sufficient available credit under the Revolving Credit Facility, there can be no assurance that such financing will be available on acceptable terms, on a timely basis or at all. A failure to complete the Acquisition could expose the REIT to liability to the vendors.

Limited Recourse

The Acquisition Agreement provides limited representations and warranties from the vendors and provides that the Acquisition Properties are being acquired on an "as is, where is" basis. Consequently, the REIT may have little or no ability to recover any amount from the vendors in the event of the occurrence or discovery of environmental concerns, repair or maintenance obligations, defaults or termination of tenant leases or failure to secure any new leases with respect to the Acquisition Properties. Each of the Acquisition Properties is being purchased by Crombie LP from a different individual vendor, and Crombie LP's only recourse for any claims under the Acquisition Agreement in respect of a particular property is limited to the individual vendor from whom Crombie LP purchased the property.

In particular, certain of the Phase I Reports, Phase II Reports and PCA Reports remain outstanding as of the date of this short form prospectus. When completed, such reports may specify environmental contamination and/or deficiencies in physical condition at certain of the Acquisition Properties. As the REIT will have no recourse to the

vendors for such items, all required environmental remediation and/or repairs and maintenance work will be on the account of Crombie LP.

MATERIAL CONTRACTS

The Underwriting Agreement is the only material contract entered into or to be entered into by the REIT and/or its affiliates in connection with the Offering.

A waiver and subscription agreement dated March 14, 2012 between ECL, Crombie LP, Crombie General Partner Limited and the REIT was entered into in connection with the subscription of Class B LP Units and Special Voting Units pursuant to the Concurrent Private Placement.

A copy of the foregoing agreements may be obtained on request without charge from the Chief Financial Officer of the REIT, via the REIT's website at: www.crombiereit.com, or on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

LEGAL MATTERS

Certain legal matters relating to the Offering will be passed upon by Stewart McKelvey, on behalf of the REIT, and by Davies Ward Phillips & Vineberg LLP, on behalf of the Underwriters.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the REIT are Grant Thornton LLP, New Glasgow, Nova Scotia.

The transfer agent and registrar for the Units is CIBC Mellon Trust Company, at its principal offices in Halifax, Nova Scotia and Toronto, Ontario.

INTEREST OF EXPERTS

As at the date hereof, the partners and associates of each of Stewart McKelvey and Davies Ward Phillips & Vineberg LLP beneficially own, directly or indirectly, less than one percent 1% of the securities of the REIT and its associates and affiliates. Grant Thornton LLP has advised us that it is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Nova Scotia.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. The right may be exercised within two business days after receipt or deemed receipt of a short form prospectus and any amendment. 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 short form prospectus and any amendment 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.

AUDITOR'S CONSENT

We have read the short form prospectus (the "**Prospectus**") of Crombie Real Estate Investment Trust (the "**REIT**") dated [xx], 2012 qualifying the distribution of Units of the REIT. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the Prospectus of our report to the unitholders of the REIT on the consolidated balance sheets of the REIT as at December 31, 2011, December 31, 2010 and January 1, 2010, and the consolidated statements of comprehensive income (loss), changes in net assets attributable to unitholders and cash flows for the years ended December 31, 2010 and December 31, 2011. Our report is dated February 22, 2012.

New Glasgow, Canada
[xx], 2012

Chartered Accountants

CERTIFICATE OF THE REIT

Dated: March 14, 2012

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

(Signed) "*Donald E. Clow*"
DONALD E. CLOW
Chief Executive Officer

(Signed) "*Glenn Hynes*"
GLENN HYNES
Chief Financial Officer

On behalf of the Board of Trustees

(Signed) "Paul D. Sobey"
PAUL D. SOBEY
Trustee

(Signed) " Paul V. Beesley"
PAUL V. BEESLEY
Trustee

CERTIFICATE OF THE UNDERWRITERS

Dated: March 14, 2012

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

CIBC WORLD MARKETS INC.

By: (Signed) "*Mark G. Johnson*"

SCOTIA CAPITAL INC.

By: (Signed) "*Stephen MacCulloch*"

TD SECURITIES INC.

By: (Signed) "*David Barnes"*

BMO NESBITT BURNS INC.

By: (Signed) "*Derek Dermott*"

NATIONAL BANK FINANCIAL INC.

By: (Signed) "*Andrew Wallace*"

CANACCORD GENUITY CORP.

By: (Signed) "*Justin Bosa*"

MACQUARIE CAPITAL MARKETS CANADA LTD.

By: (Signed) "*John Bartkiw*"

RAYMOND JAMES LTD.

By: (Signed) "*Graham Fell*"

BEACON SECURITIES LIMITED

By: (Signed) "*Daniel Holland*"

BROOKFIELD FINANCIAL CORP.

By: (Signed) "*Mark Murski*"

DESJARDINS SECURITIES INC.

By: (Signed) "*Mark A. Edwards*"

Crombie
REIT