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.*

SHORT FORM PROSPECTUS

New Issue June 25, 2012

CROMBIE REAL ESTATE INVESTMENT TRUST

$60,000,000
5.00% Series D Convertible Unsecured Subordinated Debentures

This short form prospectus qualifies the distribution of $60 million aggregate principal amount of 5.00% Series D convertible unsecured subordinated debentures (the "**Debentures**") by Crombie Real Estate Investment Trust (the "**REIT**"). The distribution and offering of the Debentures pursuant to this short form prospectus is herein referred to as the "**Offering**". The Debentures are being offered pursuant to an underwriting agreement dated June 18, 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., 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 and terms of the Debentures offered under this short form prospectus were determined by negotiation between the REIT and the Underwriters.

The outstanding units of the REIT (the "**Units**"), the outstanding $48.1 million aggregate principal amount of 6.25% Series B convertible unsecured subordinated debentures of the REIT (the "**Outstanding Series B Debentures**"), and the outstanding $45 million aggregate principal amount of 5.75% Series C convertible unsecured debentures of the REIT (the "**Outstanding Series C Debentures**" and together with the Outstanding Series B Debentures, the "**Outstanding Debentures**") are listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "CRR.UN", "CRR.DB.B" and "CRR.DB.C", respectively. On June 12, 2012, the last full trading day prior to the public announcement of the Offering, the closing prices of the Units, the Outstanding Series B Debentures and the Outstanding Series C Debentures on the TSX were $14.34, $129.62 and $105.51, respectively. The TSX has conditionally approved the listing of the Debentures issuable pursuant to the Offering and the Units issuable upon conversion of the Debentures, on the TSX, on or before September 12, 2012. Such listing will be subject to the REIT fulfilling all of the listing requirements of the TSX. **There is currently no market through which the Debentures may be sold and purchasers may not be able to resell the Debentures purchased under this short form prospectus. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Debentures and the extent of issuer regulation. See ''Risk Factors''.**

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.

The Debentures

The Debentures bear interest at an annual rate of 5.00%, payable in equal semi-annual payments on March 31 and September 30 in each year commencing September 30, 2012 and have a maturity date of September 30, 2019 (the "**Maturity Date**"). See "Description of the Debentures".

Debenture Conversion Privilege

Each Debenture will be convertible into freely tradeable Units at the option of the holder of a Debenture ("**Debentureholder**") or "**Debentureholders**") at any time up to the earlier of the last business day prior to the Maturity Date and the last business day immediately preceding the date specified by the REIT for redemption of the Debentures by notice to the Debentureholders in accordance with the Indendure at a conversion price of $20.10 per Unit (the "**Conversion Price**"), subject to adjustment in certain events. Holders converting their Debentures will receive accrued and unpaid interest on such Debentures for the period from the last interest payment date on their Debentures (or the date of issue of their Debentures if no interest has yet been paid by the REIT) to and including the last record date for distributions to holders of Units ("**Unitholders**") declared by the REIT prior to such conversion. See "Description of the Debentures — Conversion Rights". Notwithstanding the foregoing, no Debenture may be converted during the five business days preceding March 31 and September 30 in each year, as the registers of the Debenture Trustee (as defined herein) will be closed during such periods. Further particulars concerning the conversion privilege, including provisions for the adjustment of the Conversion Price, are set out under "Description of the Debentures — Conversion Rights". **A Debentureholder will not be entitled to deferred tax treatment on the conversion, redemption or repayment at maturity of such Debentures. See "Certain Canadian Federal Income Tax Considerations".**

The Debentures are not redeemable prior to June 30, 2015, except upon the satisfaction of certain conditions after a Change of Control (as defined herein). See "Description of the Debentures — Put Right upon a Change of Control". On or after June 30, 2015 and prior to June 30, 2017, the Debentures may be redeemed by the REIT, in whole or in part, on not less than 30 days' prior notice, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, provided that the volume-weighted average trading price of the Units on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date on which notice of redemption is given exceeds 125% of the Conversion Price. On or after June 30, 2017, the Debentures may be redeemed by the REIT, in whole or in part, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest.

Provided that there is not a current event of default, the REIT may, at its option, and subject to applicable regulatory approval, elect to satisfy its obligation to pay, in whole or in part, the principal amount of the Debentures that are to be redeemed or that have matured by issuing Units to Debentureholders. In addition, subject to applicable regulatory approval, Units may be issued to the Debenture Trustee and sold, with the proceeds used to satisfy the obligation to pay interest on the Debentures. See "Description of the Debentures — Method of Payment".

Price: $1,000 per Debenture

	Price to the Public	Underwriters' Fee[(2)]	Net Proceeds to The REIT[(1)]
Per Debenture	$1,000	$37.50	$962.50
Total[(2)]	$60,000,000	$1,350,000	$58,650,000

Notes:

(1) Before deducting certain expenses of the Offering estimated at $465,000 which, together with the Underwriters' fee, will be paid from the proceeds of the Offering. See "Use of Proceeds".

(2) ECL Developments Limited ("**ECL**"), a wholly owned subsidiary of Empire Company Limited ("**Empire**"), has exercised in part its existing pre-emptive right to maintain its interest in the REIT with respect to the Offering and has indicated that Empire will purchase $24 million of the Debentures in satisfaction of this right on the same terms and conditions available to purchasers of Debentures pursuant to this short form prospectus. No fee will be paid to the Underwriters in respect of Debentures purchased by Empire. ECL currently holds 36,770,560 Class B Limited Partnership Units ("**Class B LP Units**") of the REIT's subsidiary Crombie Limited Partnership ("**Crombie LP**") and 36,770,560 Special Voting Units of the REIT and Empire currently holds $10 million of the Outstanding Series B Debentures. Together, ECL's Class B LP Units and Special Voting Units represent a 43.2% economic and voting interest in the REIT.

The Underwriters, as principals, conditionally offer the Debentures, 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 for the Debentures 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 Debentures initially at the offering price specified above. After a reasonable effort has been made to sell all of the Debentures 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 Debentures remaining unsold. Any such reduction will not affect the proceeds received by the REIT. See "Plan of Distribution".**

Subscriptions for the Debentures 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. A book-entry only certificate representing the Debentures will be issued in registered form to CDS Clearing and Depository Services ("**CDS**") or its nominee as registered global securities and will be deposited with CDS on the closing date, which is expected to occur on or about July 3, 2012 or such later date as the REIT and the Underwriters may agree. Debentureholders will not be entitled to receive physical certificates representing their ownership. See "Description of the Debentures — Book-Entry, Delivery and Form".

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). Substantially all of the net proceeds from the Offering will be used by the REIT to reduce the REIT's outstanding borrowings 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., 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. Neither the Debentures nor the Units issuable upon conversion of the Debentures are "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 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 and the Debentures 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 Debentures is subject to a number of risks and investment considerations that should be considered by a prospective purchaser. See "Risk Factors".

The after-tax return for any Units acquired under the terms of the Debentures are subject to Canadian income tax. 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 Debentures 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**"). Units acquired under the terms of the Debentures, if issued on the date of issue of the Debentures and provided the REIT qualifies as a mutual fund trust on such date, would be qualified investments under the Tax Act for Exempt Plans (other than a trust governed by a deferred profit sharing plan for which any employer is the REIT or a corporation not dealing at arm's length with the REIT). 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 Debentures or 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. Any such holder or annuitant to whom Debentures or Units otherwise would be prohibited investments as described above should consult a tax advisor, including with respect to any potential relief under an undated "comfort letter" of the Department of Finance provided in 2012 by it to the Joint Committee on Taxation of the Canadian Bar Association and the Canadian Institute of Chartered Accountants.

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.

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 sections of the REIT's fiscal 2011 management's discussion and analysis, in the REIT's management's discussion and analysis for the quarter ended March 31, 2012 and in the "Risks" section of the REIT's AIF (as defined herein). 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) the unaudited interim consolidated financial statements of the REIT for the three months ended March 31, 2012, together with the notes thereto;

(iv) 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;

(v) management's discussion and analysis of the consolidated financial condition and results of operations of the REIT for the three months ended March 31, 2012;

(vi) the management information circular of the REIT dated March 21, 2012 prepared in connection with the REIT's annual meeting of unitholders held on May 11, 2012;

(vii) a material change report dated March 13, 2012 relating to the Acquisition (defined below), the offering of $67 million of Units and the concurrent private placement of approximately $53 million through the issuance of 3.655,200 Class B LP Units; and

(viii) a material change report dated June 18, 2012 in respect of the Offering.

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.

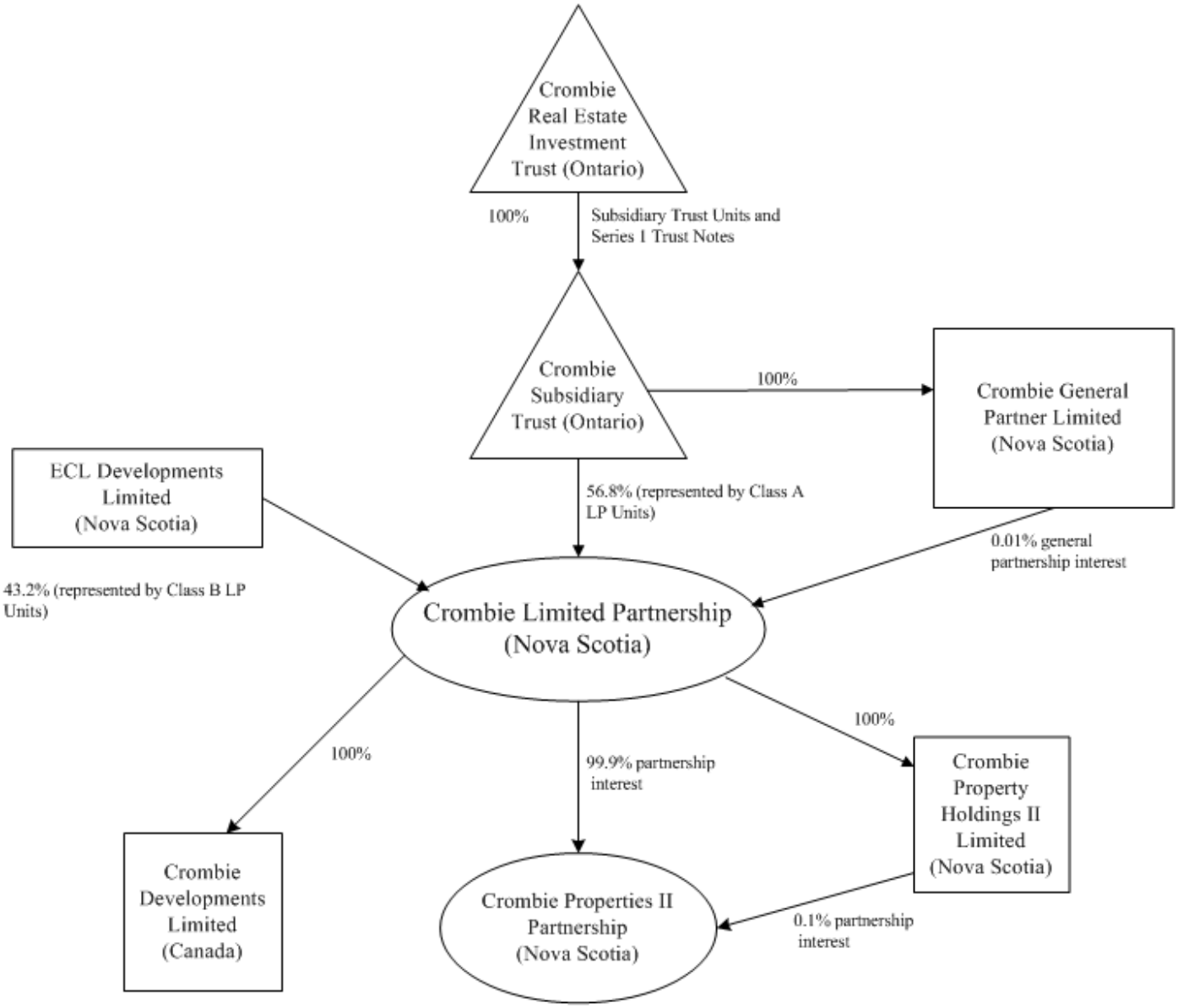
THE REIT

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 June 25, 2012, the REIT owned a portfolio of 161 commercial properties in nine provinces, comprising approximately 13.5 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 June 21, 2012.


Crombie Real Estate Investment Trust (Ontario)
100%
Subsidiary Trust Units and Series 1 Trust Notes
Crombie Subsidiary Trust (Ontario)
100%
Crombie General Partner Limited (Nova Scotia)
ECL Developments Limited (Nova Scotia)
56.8% (represented by Class A LP Units)
0.01% general partnership interest
43.2% (represented by Class B LP Units)
Crombie Limited Partnership (Nova Scotia)
100%
100%
99.9% partnership interest
Crombie Property Holdings II Limited (Nova Scotia)
Crombie Developments Limited (Canada)
Crombie Properties II Partnership (Nova Scotia)
0.1% partnership interest

RECENT DEVELOPMENTS

Mortgage Financings

The REIT's subsidiary, Crombie LP, a limited partnership formed under the laws of Nova Scotia, has recently completed mortgage financings of certain retail properties, as follows, in addition to the mortgages assumed upon closing of its acquisition of 22 properties described below:

1581 Greenbank Road, Nepean, Ontario

On January 19, 2012, the REIT completed a $2.9 million second mortgage financing of its property located at 1581 Greenbank Road, Nepean, Ontario. 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 $13.8 million. 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.

4021 Upper Middle Road, Burlington, Ontario

On May 25, 2012, the REIT completed a $2.7 million mortgage financing of its property located at 4021 Upper Middle Road, Burlington, Ontario. The mortgage has a term of 15 years, a fixed interest rate of 4.50% and an amortization period of 25 years.

1899 Algonquin Avenue, North Bay, Ontario

On May 31, 2012, the REIT completed a $21.0 million mortgage financing of its property located at 1899 Algonquin Avenue, North Bay, Ontario. The mortgage has a term of 10 years, a fixed interest rate of 3.96% and an amortization period of 25 years.

Amendments to Revolving Credit Facility

The REIT has a secured floating rate revolving credit facility with a maximum principal amount of $150 million (the "**Revolving Credit Facility**"). As part of the Revolving Credit Facility's annual renewal, the REIT has provided notice to the lender parties of its request to exercise the accordion feature under the Revolving Credit Facility to increase the maximum principal amount thereof to $200 million. The annual renewal and the exercise of the accordion feature closed on June 22, 2012.

Shoppers Drug Mart Acquisition

The REIT has entered into agreements to acquire a portfolio of five retail properties from entities affiliated with Shoppers Drug Mart for a purchase price of approximately $42.8 million, subject to adjustments. This acquisition is expected to close on June 26, 2012. The purchase price will be financed through a combination of mortgages financed concurrently with the closing of the acquisition, with the balance drawn on the Revolving Credit Facility. The REIT has commitments for approximately $29.1 million in mortgage financing for these properties which the REIT expects to close between June 26, 2012 and July 31, 2012. All mortgages are anticipated to have 25 year amortizations, with maturity dates ranging from 10 to 17 years. Interest rates on the mortgages are based on the applicable Government of Canada bond yield at the date the interest rate is fixed on the mortgages plus lender mortgage spreads ranging from 190 to 205 basis points. Upon closing of the transaction, Shoppers Realty Inc. will enter into new leases for the properties having expirations between June 2027 and June 2032.

Location	Tenant	Area Leased (Sq.Ft.)	Percentage of Total GLA
1031 Victoria Street, St. Lambert, Quebec	Shoppers Realty Inc.	18,653	100%
10 Don Quichotte Blvd., Ile-Perrot, Quebec	Shoppers Realty Inc.	23,651	100%
110-620 MacKenzie Towne Gate S.E., Calgary, Alberta	Shoppers Realty Inc.	18,808	100%
1750-1760 Huron Church Road, Windsor, Ontario	Shoppers Realty Inc.	29,228	100%

995 Wilfrid Hamel Blvd., Quebec City, Quebec	Shoppers Realty Inc.	17,034	100%

Debenture Redemption

On April 18, 2012, the REIT announced that it had exercised its right to redeem the remaining $29.5 million aggregate principal amount of its 7% Extendible Convertible Unsecured Subordinated Debentures maturing on March 20, 2013 (the "**7% Debentures**"), in accordance with the terms of the Indenture (as defined below). Holders of 7% Debentures were entitled to convert their 7% Debentures to Units based on a conversion price of $13.00 per Unit until May 22, 2012. Please see "Prior Sales" for details of these conversions. The aggregate amount of conversions of 7% Debentures to Units was approximately $25.8 million. The redemption of the then outstanding 7% Debentures was completed on May 23, 2012 for a total payment of approximately $3.7 million on account of principal and $0.6 million on account of accrued interest.

Acquisition of 22 Properties

On April 10, 2012, the REIT, through its subsidiary Crombie LP, indirectly acquired a portfolio of 22 retail properties (the "**Acquisition Properties**") from third party vendors for an aggregate purchase price of approximately $254.6 million (the "**Acquisition**"). The purchase price for the Acquisition was funded partially by the assumption of approximately $95.7 million in mortgages having a weighted average term to maturity of 3.8 years and a weighted average interest rate of 4.86%, partially by applying the net proceeds of the REIT's $120 million offering of Units and Class B LP Units completed in March 2012, and the remainder by drawing on the Revolving Credit Facility.

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.

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 anchored by Metro and Shoppers Drug Mart, situated on an approximately 8.74 acre site with open-air parking for approximately 521 vehicles. Brampton Mall was built in the 1960's.

The 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, anchored by First Ontario Credit Union and Mac's convenience store, situated on an approximately 1.28 acre site with open-air parking for approximately 50 vehicles. Middle Road Plaza was built in 1990 and was expanded and renovated in 2009 and 2011.

The 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, anchored by Sobeys (Foodland) store, situated on an approximately 3.96 acre site with open-air parking for approximately 190 vehicles. Dorchester Road Plaza was built in the 1970s.

The 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 Shoppers Drug Mart, situated on an approximately 8.00 acre site with open-air parking for approximately 86 vehicles. Dorchester Road Centre was built in 2009.

The 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 Shoppers Drug Mart, situated on an approximately 2.32 acre site with open-air parking for approximately 124 vehicles. Notre Dame Street Centre was built in 2006.

The 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, situated on an approximately 5.28 acre site with open-air parking for approximately 155 vehicles. Lindsay Street Centre was built in 2002.

The 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 Shoppers Drug Mart, and the second is approximately 9,234 sq. ft. and houses Emerald Isle, a local furniture retailer. Sinclair Place is situated on an approximately 2.38 acre site with open-air parking for approximately 116 vehicles. Sinclair Place was built in 2010.

The 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, anchored by Shoppers Drug Mart and Dollarama, situated on an approximately 3.09 acre site with open-air parking for approximately 144 vehicles. Grimsby Plaza was built in 1987 and renovated in 2006.

The 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 TSC Stores, situated on an approximately 2.27 acre site with open-air parking for approximately 82 vehicles. Grimsby Centre was built in 2006.

The 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 Sobeys (Foodland) store, situated on an approximately 0.92 acre site with open-air parking for approximately 37 vehicles. Havelock Centre was built in 1976 and was expanded and renovated in 2010.

The 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 leased by Shoppers Drug Mart and the Liquor Control Board of Ontario, situated on an approximately 1.98 acre site with open-air parking for approximately 125 vehicles. Milligan Corners was built in 2009.

The 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 Shoppers Drug Mart, situated on an approximately 2.99 acre site with open-air parking for approximately 159 vehicles. Niagara Falls Centre was built in 2007.

The 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 anchored by 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 with open-air parking for approximately 825 vehicles. Algonquin Avenue Mall was built in 1968 and was expanded and renovated in 1997 and 2000.

The 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 anchored by Loblaws (Your Independent Grocer), situated on an approximately 7.16 acre site with open-air parking for approximately 380 vehicles. Lansdowne Plaza was built in 1996.

The 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 Shoppers Drug Mart, situated on an approximately 7.28 acre site with open-air parking for approximately 97 vehicles. Lansdowne Centre was built in 2010.

The 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 Shoppers Drug Mart, situated on an approximately 2.00 acre site with open-air parking for approximately 116 vehicles. Huron Street Plaza was built in 2009.

The 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 anchored by Mac's, situated on an approximately 2.32 acre site with open-air parking for approximately 109 vehicles. Stoney Creek Plaza was built in 1988 and was expanded and renovated in 2011.

The property is approximately 50.8% 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 Shoppers Drug Mart, situated on an approximately 1.55 acre site with open-air parking for approximately 73 vehicles. Eglinton Centre was built in 2008.

The 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 anchored by Shoppers Drug Mart, situated on an approximately 3.52 acre site with open-air parking for approximately 176 vehicles. Markham Plaza was built in 2009 and 2011.

The 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 anchored by Future Shop and Golf Town, situated on an approximately 6.01 acre site with open-air parking for approximately 282 vehicles. Queensway Plaza was built in 2007.

The 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, situated on an approximately 3.74 acre site with open-air parking for approximately 229 vehicles. Bird's Hill Road Plaza was built in 1998 and was expanded and renovated in 2011.

The 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 anchored by Sobeys, situated on an approximately 8.85 acre site with open-air parking for approximately 259 vehicles. Territorial Drive Plaza was built in 1997 and 2006.

The property is 100% leased.

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

CONSOLIDATED CAPITALIZATION

There have not been any material changes in the consolidated capitalization of the REIT since March 31, 2012, the date of the REIT's most recently filed financial statements, other than (a) the mortgage financings described under "Recent Developments – Mortgage Financings", (b) the conversion of $25.8 million and redemption of the remaining $3.7 million of the 7.0% Debentures, as described under "Recent Developments – Debenture Redemptions", (c) the assumption of approximately $95.7 million in mortgages related to the Acquisition, (d) the conversions of Outstanding Debentures as described below and under "Prior Sales", and (e) amounts drawn on the Revolving Credit Facility for property tax payments and certain redevelopment costs.

After giving effect to the Offering, $60 million in principal amount of Debentures will be issued and the Revolving Credit Facility will be reduced as described under "Use of Proceeds".

The following table sets forth the *pro forma* capitalization of the REIT as at March 31, 2012, adjusted to give effect to (a) the matters referred to in the first paragraph above, each of which are reflected in the table below under the column entitled "As at March 31, 2012 after giving effect to the transactions since March 31, 2012, other than this Offering", and (b) this Offering.

	As at March 31, 2012 before giving effect to transactions since March 31, 2012, and this Offering	As at March 31, 2012 after giving effect to transactions since March 31, 2012, other than this Offering	As at March 31, 2012 after giving effect to transactions since March 31, 2012 and this Offering
	(unaudited) (expressed in 000's)	(unaudited) (expressed in 000's)	(unaudited) (expressed in 000's)
Indebtedness			
Mortgages	$850,626	$970,081	$970,081
Convertible Debentures	122,235	90,608	148,793
Revolving Credit Facility	30,000	87,274	29,089
Deferred Financing Charges	(7,290)	(7,625)	(7,625)
Total Indebtedness	995,571	1,140,338	1,140,338
Net Assets Attributable to Unitholders Represented By:			
Unitholders[(1)]	389,567	417,813	417,813
Special Voting Units and Class B LP Unitholders[(1)]	305,100	305,100	305,100
TOTAL CAPITALIZATION	**$1,690,238**	**$1,863,251**	**$1,863,251**

Notes:

(1) For financial statement purposes, these Units and Class B LP Units are classified as liabilities under International Financial Reporting Standards ("**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 $58,185,000. The Underwriters' fee and the expenses of the Offering will be paid out of the proceeds from the Offering.

Substantially all of the net proceeds from the Offering will be used by the REIT to reduce the outstanding borrowings under the Revolving Credit Facility. See "Relationship Between the REIT and Certain Underwriters". As of June 21, 2012 the principal amount outstanding under the Revolving Credit Facility was approximately $89 million.

PLAN OF DISTRIBUTION

Under the Underwriting Agreement, the REIT has agreed to sell and the Underwriters have agreed to purchase on or about July 3, 2012, or on such later date as the REIT and the Underwriters may agree, an aggregate of $36 million principal amount of Debentures for total gross proceeds to the REIT of $36 million. ECL, a wholly owned subsidiary of Empire has exercised in part its existing pre-emptive right to maintain its interest in the REIT with respect to the Offering and has indicated that Empire will purchase $24 million of the Debentures in satisfaction of this right on the same terms and conditions available to purchasers of the Debentures pursuant to this short form prospectus. See "Retained Interest". No fee will be paid to the Underwriters in respect of Debentures purchased by Empire. ECL currently holds 36,770,560 Class B LP Units of the REIT's subsidiary Crombie LP and 36,770,560 Special Voting Units of the REIT and Empire currently holds $10 million of Outstanding Series B Debentures. Together, ECL's Class B LP Units and Special Voting Units represent a 43.2% economic and voting interest in the REIT. The obligations of the Underwriters under the Underwriting Agreement may be terminated at their discretion upon the occurrence of certain stated events, including certain stated events materially adversely affecting the financial markets in Canada. The Underwriters are, however, obligated to take up and pay for all of the Debentures, other than Debentures to be sold to Empire, if any of the Debentures are purchased under the Underwriting Agreement. The obligations of the Underwriters to purchase the Debentures, other than Debentures to be sold to Empire, are several (and not joint or joint and several). The terms of the Offering and the price of the Debentures 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 $37.50 per $1,000 principal amount of Debentures for an aggregate fee payable by the REIT of $1,350,000 in consideration for their services in connection with the Offering. The Underwriters' fee in respect of the Debentures is payable on closing of the Offering. No fee is payable in respect of Debentures purchased by Empire.

Other than certain exceptions, the REIT has agreed not to offer or issue, or enter into an agreement to offer or issue, Debentures, 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 TSX has conditionally approved the listing of the Debentures issuable pursuant to the Offering, and the Units issuable upon conversion of the Debentures, on the TSX subject to the REIT fulfilling all of the listing requirements of the TSX. Closing of the Offering is conditional on the Debentures issuable pursuant to the Offering and the Units issuable upon conversion of the Debentures being approved for listing on the TSX on or before September 12, 2012.

The Underwriters propose to offer the Debentures 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 Debentures at the offering price specified on the cover page, the offering price for the Debentures 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 Debentures 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 Debentures. 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 Debentures. 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 Debentures 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 Debentures while the Offering is in progress. As a result of these activities, the price of the Debentures 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 Debentures 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 Debentures 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 Debentures, 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. Substantially all of the net proceeds from the Offering will be used by the REIT to reduce the REIT's outstanding borrowings under the Revolving Credit Facility. 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 June 21, 2012, approximately $89 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 Debentures 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 Debentures. The offering price of the Debentures 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.

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, Empire directly holds $10 million in Outstanding Series B Debentures and holds 43.2% of the economic and voting interest in the REIT indirectly through ECL's ownership of 36,770,560 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 ECL's pre-emptive right under the Exchange Agreement, Empire will subscribe for an aggregate of $24 million in principal amount of Debentures (the "**Related Party Transaction**"). The independent elected Trustees of the Board of Trustees of the REIT approved the Related Party Transaction. The fair market value of the subject matter of the Related Party Transaction was approximately 3.5% of the Company's market capitalization calculated in accordance with Multilateral Instrument 61-101 – Protection of Minority Security Holdings in Special Transactions ("**MI 61-101**") as at June 12, 2012, the day the Offering was announced, without giving effect to the exchange rights attaching to the 36,770,560 Class B LP Units held by ECL prior to the Related Party Transaction. Pursuant to MI 61-101, the Related Party Transaction is a "related party" transaction, however, the Related Party Transaction is exempt from the formal valuation and minority approval requirements set out in such instrument because the subject matter of the transaction is not more than 25% of the REIT's market capitalization.

Empire's direct and indirect economic and voting interest in the REIT could be increased to 44.6% if Empire were to convert its $10 million aggregate principal amount of Outstanding Series B Debentures and $24 million aggregate principal

amount of Debentures in full, without giving effect to any other conversions of Debentures or Outstanding Debentures. Should all Debentures and Outstanding Debentures be converted into Units in accordance with their terms, then Empire's direct and indirect economic and voting interest in the REIT could be decreased to approximately 40.8%.

DESCRIPTION OF DEBENTURES

The following is a summary of the material attributes and characteristics of the Debentures. This summary does not purport to be complete and is subject to, and is qualified in its entirety by, reference to the terms of the indenture made as of March 20, 2008, as supplemented by a first supplemental indenture dated September 30, 2009 (the "**First Supplemental Indenture**"), a second supplemental indenture dated February 8, 2010 (the "**Second Supplemental Indenture**") and a third supplemental indenture to be dated on or about July 3, 2012 (the "**Third Supplemental Indenture**"), between the REIT and CIBC Mellon Trust Company (the "**Debenture Trustee**"), and which creates and governs the Debentures and Outstanding Debentures (collectively, the "**Indenture**").

General

The Debentures will be issued under the Indenture. The Debenture Trustee is the trustee under the Indenture. The Indenture does not limit the aggregate principal amount of debentures that may be outstanding from time to time under the Indenture.

The Debentures to be issued under the Offering will be in the aggregate principal amount of $60 million. The Outstanding Series B Debentures have an aggregate principal amount of $48.1 million and the Outstanding Series C Debentures have an aggregate principal amount of $45 million. The Debentures will rank *pari passu* to the Outstanding Debentures. The REIT may, from time to time, without the consent of the Debentureholders, issue additional debentures of a different series under the Indenture, in addition to the Debentures offered hereby.

The Debentures will be dated as of the closing of the Offering and will have a maturity date of September 30, 2019 (the "**Maturity Date**"). The Debentures will be issuable only in denominations of $1,000 and integral multiples thereof and will bear interest from and including the date of issue at 5.00% per annum, which will be payable semi-annually in arrears on March 31 and September 30 in each year, commencing on September 30, 2012. The first interest payment will include interest accrued from the date of the closing of the Offering to September 30, 2012, calculated on the basis of a 365-day year.

The principal amount of the Debentures is payable in lawful money of Canada or, at the option of the REIT and subject to applicable regulatory approval, by delivery of fully paid, non-assessable and freely tradeable Units as further described under "— Method of Payment — Payment of Principal on Redemption or at Maturity". The interest on the Debentures is payable in lawful money of Canada or, at the option of the REIT and subject to applicable regulatory approval, by delivery of fully paid non-assessable and freely tradeable Units to the Debenture Trustee for sale in accordance with the Interest Payment Election as described under "— Method of Payment — Interest Payment Election".

The Debentures are direct obligations of the REIT and will not be secured by any mortgage, pledge, hypothec or other charge and will be subordinated to other liabilities of the REIT as described under "Description of Debentures — Subordination".

Subordination

The Indenture provides that the Debentures are subordinated in right of payment to all present and future Senior Indebtedness (as defined in the Indenture) of the REIT. No payment of principal (including redemption payments) or interest on the Debentures may be made: (i) if any Senior Indebtedness is not paid when due and any applicable grace period with respect to such payment default on Senior Indebtedness has ended and such default has not been cured or waived or ceased to exist; or (ii) if the maturity of any Senior Indebtedness has been accelerated because of a default and either such acceleration has not been rescinded or such Senior Indebtedness has not been repaid. Upon any distribution of assets of the REIT to creditors upon any dissolution, winding-up, total liquidation or reorganization of the REIT, whether in bankruptcy, insolvency or receivership proceedings, upon an "assignment for the benefit of creditors", or otherwise, all principal, premium, if any, and interest due on all Senior Indebtedness of the REIT must be paid in full before the Debentureholders are entitled to receive or retain any payment.

Neither the Indenture nor the Debentures will limit the ability of the REIT to incur additional indebtedness, including indebtedness that ranks senior to the Debentures, or from mortgaging, pledging or charging its properties to secure any indebtedness.

The term "Senior Indebtedness" means the principal of, and the interest and premium (or any other amounts payable thereunder), if any, on:

(a) all indebtedness, liabilities and obligations of the REIT (other than the Debentures and any other series of debentures that have been or that may be issued under the Indenture, including the Outstanding Debentures), whether outstanding on the date of the Indenture or thereafter created, incurred, assumed or guaranteed in

connection with the acquisition by the REIT of any businesses, properties or other assets or for monies borrowed or raised by whatever means (including, by means of commercial paper, bankers' acceptances, letters of credit, debt instruments, bank debt and financial leases, and any liability evidenced by bonds, debentures, notes or similar instruments) or in connection with the acquisition of any businesses, properties or other assets or for monies borrowed or raised by whatever means (including, without limitation, by means of commercial paper, bankers' acceptances, letters of credit, debt instruments, bank debt and financial leases, and any liability evidenced by bonds, debentures, notes or similar instruments) by others including, without limitation, any subsidiary of the REIT for payment of which the REIT is responsible or liable, whether absolutely or contingently; and

(b) renewals, extensions, restructurings, refinancings and refundings of any such indebtedness, liabilities or obligations;

unless in each case it is provided by the terms of the instrument creating or evidencing such indebtedness, liabilities or obligations that such indebtedness, liabilities or obligations are not superior in right of payment to debentures which by their terms are subordinated.

The Debentures are direct unsecured obligations of the REIT. Each Debenture will rank *pari passu* with each other debenture of the same series or with other series of debentures that have been or that may be issued under the Indenture (regardless of their actual date or terms of issue) and, subject to statutory preferred exceptions, with all other present and future subordinated and unsecured indebtedness of the REIT except for sinking fund provisions (if any) applicable to different series of debentures or other similar types of obligations of the REIT.

Conversion Rights

Each Debenture is convertible into Units of the REIT, at the option of the Debentureholder, at any time prior to 4:00 p.m. (Toronto time) on the earlier of the last business day immediately prior to the Maturity Date and the last business day immediately preceding the date specified by the REIT for the redemption of the Debentures by notice to the Debentureholders in accordance with the Indenture, at a conversion price of $20.10 per Unit (the "**Conversion Price**"), being a conversion rate of approximately 49.7512 Units per $1,000 principal amount of Debentures, subject to adjustment upon the occurrence of certain events in accordance with the Indenture. If all conversion rights attaching to the Debentures are exercised, the REIT will be required to issue approximately 2,985,075 additional fully paid, non-assessable and freely tradeable Units, subject to anti-dilution adjustments. No adjustment will be made for distributions on Units issuable upon conversion or for interest accrued on Debentures surrendered for conversion; however, Debentureholders converting their Debentures will receive accrued and unpaid interest on such Debentures for the period from the last interest payment date on their Debentures (or the date of issue of their Debentures if no interest has yet been paid by the REIT) to and including the last record date for distributions to Unitholders declared by the REIT prior to such conversion. In the event that the REIT has suspended regular distributions, then a Debentureholder, in addition to the applicable number of Units to be received on conversion, will be entitled to receive accrued and unpaid interest for the period from the last interest payment date prior to the date of conversion to the date of conversion.

Subject to the provisions thereof, the Indenture provides for the adjustment of the Conversion Price in certain events including: (i) the subdivision or consolidation of the outstanding Units; (ii) the distribution of Units to Unitholders by way of distribution or otherwise other than an issue of securities to Unitholders who have elected to receive distributions in securities of the REIT in lieu of receiving cash distributions paid in the ordinary course; (iii) the issuance of options, rights or warrants to all or substantially all Unitholders entitling them to acquire Units or other securities convertible into Units at less than 95% of the then current market price (as defined in the Indenture to mean the volume-weighted average trading price of the Units on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date of the applicable event) of the Units; and (iv) the distribution to all or substantially all the Unitholders of (A) units of any class other than Units and other than Units distributed to Unitholders who have elected to receive dividends or distributions in the form of such Units in lieu of dividends or distributions paid in the ordinary course, (B) rights, options or warrants (excluding rights, options or warrants entitling the holders thereof for a period of not more than 45 days to subscribe for or purchase Units or securities convertible into Units), (C) evidences of the REIT's indebtedness, or (D) assets (excluding dividends or distributions paid in the ordinary course). There will be no adjustment of the Conversion Price in respect of any event described above if the Debentureholders are allowed to participate as though they had converted their Debentures prior to the applicable record date or effective date, as the case may be, of such event. The REIT will not be required to make adjustments in the Conversion Price unless the cumulative effect of such adjustments would change the Conversion Price by at least 1%.

In the case of any reclassification or capital reorganization (other than a change resulting from consolidation or subdivision) of the Units or in the case of any consolidation, amalgamation, reorganization or merger of the REIT with or into any other entity, or in the case of any sale or conveyance of the property and assets of the REIT as, or substantially as, an entirety to any other entity, or a liquidation, dissolution or winding-up of the REIT, the terms of the conversion privilege shall be adjusted so that each Debentureholder shall, after such reclassification, capital reorganization, consolidation, amalgamation, reorganization, combination, merger, sale, conveyance, liquidation, dissolution or winding-up, be entitled to receive and shall

accept the number of Units or other securities or other property that, on the exercise of the conversion right, such Debentureholder would be entitled to receive if, on the effective date thereof, it had been the holder of the number of Units into which the Debenture was convertible prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, reorganization, combination, merger, sale, conveyance, liquidation, dissolution or winding-up.

No fractional Units will be issued on any conversion but, in lieu thereof, the REIT shall satisfy fractional interests by a cash payment equal to the current market price of the fractional interest.

Redemption

The Debentures will not be redeemable prior to June 30, 2015, except upon the satisfaction of certain conditions after a Change of Control has occurred. On or after June 30, 2015, and prior to June 30, 2017, the Debentures will be redeemable at the option of the REIT, in whole or in part and from time to time, on not less than 30 days' prior notice, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, provided that the volume-weighted average trading price of the Units on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of redemption is given exceeds 125% of the Conversion Price. On or after June 30, 2017, the Debentures will be redeemable at the option of the REIT, in whole or in part and from time to time, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest. Any Debentures redeemed by the REIT will be cancelled and will not be reissued.

In the case of redemption of less than all of the Debentures, the Debentures to be redeemed will be selected by the Debenture Trustee on a *pro rata* basis to the nearest multiple of $1,000 or by lot in such manner as the Debenture Trustee deems equitable.

Put Right upon a Change of Control

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

If 90% or more in aggregate principal amount of the Debentures outstanding on the date the REIT provides notice of a Change of Control to the Debenture Trustee have been tendered for purchase on the Put Date, the REIT has the right to redeem all the remaining Debentures on such date at the Put Price. Notice of such redemption must be given to the Debenture Trustee by the REIT prior to the Put Date and, as soon as possible thereafter, by the Debenture Trustee to the Debentureholders whose Debentures have not been tendered for purchase.

Method of Payment

Payment of Principal on Redemption or at Maturity

On redemption or at maturity of the Debentures, the REIT will repay the indebtedness represented by the Debentures by paying to the Debenture Trustee in lawful money of Canada an amount required to repay the principal amount of the outstanding Debentures, together with accrued and unpaid interest thereon. The REIT may, at its option, on not more than 60 days' and not less than 30 days' prior notice, subject to applicable regulatory approval and provided no Event of Default has occurred and is continuing, elect to satisfy its obligation to repay all or any portion of the principal amount of the Debentures that are to be redeemed or that are to mature, by issuing and delivering freely-tradeable Units to the Debentureholders. The number of Units to be issued in respect of each Debenture will be determined by dividing the principal amount of the Debentures that are to be redeemed or that are to mature, as the case may be, by 95% of the volume-weighted average trading price of the Units on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date fixed for redemption or the maturity date, as the case may be. No fractional Units will be issued on redemption or at maturity but in lieu thereof, the REIT shall satisfy fractional interests by a cash payment equal to the market price, as determined above, of the fractional interest.

Interest Payment Election

Subject to receiving any required regulatory approvals, provided it is not in default under the Indenture, the REIT may elect, from time to time, to satisfy its obligation to pay interest on the Debentures (the "**Interest Obligation**") on the date it is payable under the Indenture (an "**Interest Payment Date**"), by delivering a sufficient number of Units to the Debenture Trustee required to satisfy all or any part of the Interest Obligation in accordance with the Indenture (the "**Interest Payment Election**"). The Indenture provides that, upon such election, the Debenture Trustee shall: (i) accept delivery from the REIT of the Units; (ii) accept bids with respect to, and consummate sales of such Units, each as the REIT shall direct in its absolute discretion; (iii) invest the proceeds of such sales in Canadian government obligations (as defined in the Indenture) that mature prior to the applicable Interest Payment Date, and use the proceeds received from such government securities, together with any proceeds

from the sale of Units not invested as aforesaid, to satisfy the Interest Obligation; and (iv) perform any other action necessarily incident thereto.

The Indenture sets forth the procedures to be followed by the REIT and the Debenture Trustee in order to effect the Interest Payment Election. If an Interest Payment Election is made, the sole right of a Debentureholder in respect of interest will be to receive cash from the Debenture Trustee out of the proceeds of the sale of Units (plus any amount received by the Debenture Trustee from the REIT attributable to fractional Units) in full satisfaction of the Interest Obligation, and the holder of such Debentures will have no further recourse to the REIT in respect of the Interest Obligation.

Neither the REIT's making of the Interest Payment Election nor the consummation of sales of Units will (i) result in the Debentureholders not being entitled to receive on the applicable Interest Payment Date cash in an aggregate amount equal to the Interest Obligation payable on such date or (ii) entitle such Debentureholders to receive any Units in satisfaction of the Interest Obligation.

Events of Default and Waiver

The Indenture provides that an event of default ("**Event of Default**") in respect of the Debentures will result upon the occurrence of certain events described in the Indenture, including if any one or more of the following events has occurred and is continuing with respect to the Debentures: (i) failure for 15 days to pay the interest on the Debentures when due; (ii) failure to pay principal or premium, if any, on the Debentures when due whether at maturity, upon redemption, by declaration or otherwise; (iii) failure for 60 days after written notice to the REIT by the Debenture Trustee to comply with any of its agreements in the Debentures or the Indenture or any indenture supplemental thereto (other than those referred to in (i) and (ii) above); (iv) failure for 10 days to deliver Units (or cash in lieu of fractional Units) in accordance with the terms of the Indenture when such Units (or cash in lieu of fractional Units) are required to be delivered upon conversion of a Debenture; (v) default under any agreement evidencing indebtedness for money borrowed by the REIT where such indebtedness shall be accelerated so that it shall be or become due or payable prior to the date on which the same would otherwise become due and payable and the aggregate amount thereof so accelerated exceeds $35 million and such acceleration is not rescinded or annulled within five Business Days after written notice to the RElT by the Debenture Trustee; (vi) certain events of bankruptcy or insolvency affecting the REIT under bankruptcy, insolvency or analogous laws; (vii) a decree or court order issuing sequestration or process of execution against all or a substantial portion of the property of the REIT, appointing a receiver of all or a substantially all of the property of the REIT, or ordering the winding-up or liquidation of the affairs of the REIT and any such decree or order continues unstayed and in effect for 60 days; (viii) if a resolution is passed for the winding-up or liquidation of the RElT; or (ix) if, after the date of the Indenture, any proceedings with respect to the REIT are taken with respect to a compromise or arrangement, with respect to creditors of the REIT generally, under applicable insolvency or bankruptcy legislation.

The Indenture provides that, if an Event of Default has occurred and is continuing, the Debenture Trustee may, in its discretion, and shall, upon the request of holders of not less than 25% of the aggregate principal amount of the debentures then outstanding under the Indenture, declare the principal, interest on all debentures then outstanding under the Indenture and all other monies outstanding to be due and payable.

In addition to the powers exercisable by Extraordinary Resolution (as defined in the Indenture), the holders of 66⅔% in aggregate principal amount of the debentures at the time outstanding under the Indenture may waive any existing default and its consequences, provided that if the Event of Default has occurred by reason of the non-observance or non-performance by the REIT of any covenant applicable only to one or more series of debentures, then the holders of at least 66⅔% of the principal amount of the outstanding debentures of that series shall be entitled to exercise this power.

The Debenture Trustee, so long as it has not become bound to declare the principal and interest on the debentures then outstanding under the Indenture to be due and payable, or to obtain or enforce payment of the same, shall have the power to waive any Event of Default if, in the Debenture Trustee's opinion, the default shall have been cured or adequate provision made therefor.

When a default is waived by the Debenture Trustee or holders of debentures under the Indenture, it is deemed cured and will cease to exist, but that waiver does not extend to any subsequent or other default or impair any consequent right.

Modification

With certain exceptions, the Indenture and the rights of the holders of debentures under the Indenture may be modified by the REIT with the consent of a majority of the holders of debentures under the Indenture present and voting at a meeting at which not less than 25% of the principal amount of the debentures then outstanding under the Indenture are present in person or by proxy, unless a poll is to be taken, in which case questions submitted shall be decided by the votes of the holders of a majority in principal amount of the debentures represented at the meeting and voting (an "**Ordinary Resolution**").

The Indenture also provides that certain changes, including: (i) changes relating to the modification of the terms of the debentures, or any reduction of the rate of interest or extension of the time of payment of any principal or interest due thereon; (ii) the modification, abrogation, alteration, compromise or arrangement of the rights of the Debentureholders or the Debenture Trustee against the REIT; or (iii) the waiver of any default under the Indenture, may be made if authorized by Extraordinary Resolution. The term "Extraordinary Resolution" is defined in the Indenture to mean, in effect, a resolution passed by the affirmative votes of the holders of not less than 66⅔% of the aggregate principal amount of the debentures outstanding under the Indenture represented and voting at a duly constituted meeting of holders of debentures under the Indenture.

If the business to be transacted at any meeting by Extraordinary Resolution or otherwise, especially affects the rights of holders of debentures under the Indenture of one or more series in a manner or to an extent differing in any material way from that in or to which the rights of holders of debentures under the Indenture of any other series are affected, then the holders of that specially affected series shall be entitled to vote separately at a meeting at which not less than 25% of the principal amount of the debentures of that series then outstanding are present in person or by proxy and such matter must be passed by a resolution adopted by the affirmative vote of the holders of not less than 66⅔% of the aggregate principal amount of the debentures of that series represented and voting at such meeting.

All actions which may be taken by holders of debentures under the Indenture by Ordinary Resolution and Extraordinary Resolution and all actions requiring the approval of at least 66⅔% of a series of debentures may also be taken and exercised by an instrument or instruments in writing signed by the holders of not less than 66⅔% in aggregate principal amount of the debentures or series of debentures then outstanding under the Indenture, as the case may be.

The REIT and the Debenture Trustee may, without the consent or concurrence of the Debentureholders under the Indenture, by supplemental indenture or otherwise, make any changes or corrections in the Indenture which it shall have been advised by counsel are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or clerical omissions or mistakes or manifest errors contained therein or in any indenture supplemental thereto.

Limitation on Non-Resident Ownership

No Units may be issued pursuant to the conversion of all or part of the Debentures, no Debentures will be issued, no payment of interest or principal (whether upon maturity, redemption, or otherwise) will be made by the issuance of Units, and no Units will be issued in connection with the retraction of all or part of the Debentures upon a Change of Control, if any such issuance of Units or Debentures would result in persons who are non-residents of Canada or partnerships which are not Canadian partnerships, both for purposes of the Tax Act, holding or beneficially owning more than 49% of the Units (on either a basic or fully-diluted basis).

In addition, the Debenture Trustee may, upon receipt of written direction of the REIT, require declarations as to the jurisdictions in which holders or beneficial owners of Debentures are resident. If the REIT becomes aware that 49% of the Units (on either a basic or fully-diluted basis) then outstanding are held, or may be held, for the benefit of non-residents or partnerships which are not Canadian partnerships or that such a situation is imminent, the REIT may make a public announcement thereof and will notify the Debenture Trustee in writing and the Debenture Trustee shall not accept a subscription for Debentures from or issue or register a transfer of Debentures to a person unless the person provides a declaration that the person is not a non-resident of Canada or partnerships which are not Canadian partnerships. If, notwithstanding the foregoing, the REIT determines that more than 49% of the Units (on either a basic or fully-diluted basis) are held for the benefit of non-residents or partnerships which are not Canadian partnerships, the REIT may send a notice to non-resident Debentureholders, chosen in inverse order to the order of acquisition or registration or in such manner as the REIT may consider equitable and practicable, requiring them to sell their Debentures or a portion thereof within a specified period of not more than 60 days. If the Debentureholders receiving such notice have not sold the specified number of Debentures or provided the REIT with satisfactory evidence that they are not non-residents of Canada or partnerships which are not Canadian partnerships and do not hold their Debentures for the benefit of non-residents of Canada or partnerships which are not Canadian partnerships within such period, the REIT may sell such Debentures on behalf of such Debentureholders to a person or persons that are not non-residents of Canada or partnerships which are not Canadian partnerships and, in the interim, all rights attaching to such Debentures (including any right to receive payments of interest) will be immediately suspended and the rights of any such Debentureholders in respect of such Debentures will be limited to receiving the net proceeds of sale (net of any withholding tax).

Book-Entry, Delivery and Form

Debentures will be issued in the form of one or more global Debentures (the "**Global Debentures**") held by, or on behalf of, CDS or its successor (the "**Depository**") as custodian for its participants.

All Debentures will be represented in the form of Global Debentures registered in the name of the Depository or its nominee. Purchasers of Debentures represented by Global Debentures will not receive Debentures in definitive form. Rather, the Debentures will be represented only in "book-entry only" form (unless the REIT, in its sole discretion, elects to prepare and deliver definitive Debentures in fully-registered form). Interests in the Global Debentures will be represented through book-entry

accounts of institutions (including the Underwriters) acting on behalf of holders of interests, as direct and indirect participants of the Depository (the "participants").

Each purchaser of a Debenture represented by a Global Debenture will receive a customer confirmation of purchase from the Underwriter or Underwriters from whom the Debenture is purchased in accordance with the practices and procedures of the selling Underwriter or Underwriters. The practices of the Underwriters may vary but generally, customer confirmations are issued promptly after execution of a customer order. The Depository will be responsible for establishing and maintaining book-entry accounts for its participants having interest in Global Debentures.

If the Depository notifies the REIT that it is unwilling or unable to continue as depository in connection with the Global Debentures, or if at any time the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the REIT and the Debenture Trustee are unable to locate a qualified successor, or if the REIT elects, in its sole discretion, to terminate the use of the book-entry system, with the consent of the Debenture Trustee, beneficial owners of Debentures represented by Global Debentures at such time will receive Debentures in registered and definitive form (the "**Definitive Debentures**").

Transfer and Exchange of Debentures

Transfers of interests in Debentures represented by Global Debentures will be effected through records maintained by the Depository for such Global Debentures 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 Debentures, beneficial owners who are not participants in the Depository's book-entry system, but who desire to purchase, sell or otherwise transfer ownership of or other interest in Global Debentures, may do so only through participants in the Depository's book-entry system.

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

Registered holders of Definitive Debentures may transfer such Debentures upon payment of taxes or other charges incidental thereto, if any, by executing and delivering a form of transfer together with the Debentures to the registrar for the Debentures at its principal offices in Toronto, Ontario, or such other city or cities as may from time to time be designated by the REIT whereupon new Debentures will be issued in authorized denominations in the same aggregate principal amount as the Debentures so transferred, registered in the names of the transferees. No transfer or exchange of a Debenture will be registered during the period from the date of any selection by the Debenture Trustee of any Debentures to be redeemed or during the 15 preceding days or thereafter until the close of business on the date upon which notice of redemption of such Debentures is given. In addition, no transfer or exchange of any Debentures which have been selected or called for redemption will be registered.

Reports to Debentureholders

The REIT will file with the Debenture Trustee, within 15 days after the filing thereof with the applicable Canadian securities regulatory authorities, copies of the REIT's annual report and the information, documents and other reports that the REIT is required to file with the applicable Canadian securities regulatory authorities and deliver to its Unitholders. Notwithstanding that the REIT may not be required to remain subject to the reporting requirements of the Canadian securities regulatory authorities, the REIT shall provide to the Debenture Trustee (i) within 90 days after the end of each fiscal year, annual financial statements, and (ii) within 45 days after the end of the first three fiscal quarters of each fiscal year, interim financial statements which shall, at a minimum, contain such information as is required to be provided in quarterly reports under the laws of Canada or any province thereof to security holders of an entity with securities listed on the TSX, whether or not the REIT has any of its securities so listed. Each of such reports will be prepared in accordance with applicable Canadian disclosure requirements and generally accepted accounting principles. The REIT will provide copies of such information, documents and reports to Debentureholders upon request.

EARNINGS COVERAGE RATIOS

The REIT's borrowing costs for the 12 months ended December 31, 2011 and the 12 months ended March 31, 2012, in each case after giving pro forma effect to (i) the issuance of the Debentures, (ii) the issuance of all financial liabilities of the REIT subsequent to the end of each period, and (iii) the repayment, redemption or other retirement of all financial liabilities of the REIT subsequent to the end of each period, and all financial liabilities to be repaid or redeemed from the proceeds to be realized from the Offering, amounted to $72.8 million and $71.8 million, respectively. The REIT's operating income before finance costs and income tax for the 12 months then ended was $100 million and $100.4 million, respectively, which is 1.37 times the REIT's pro forma interest requirements for the 12 months ended December 31, 2011 and 1.40 times the REIT's pro forma interest requirements for the 12 months ended March 31, 2012.

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.

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:

(a) 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;

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

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

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

(e) 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;

(f) 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;

(g) 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;

(h) 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

(i) 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 April 14, 2008 between ECL, 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	$0.07417
April	$0.06917	$0.07083	$0.07417	$0.07417	$0.07417	$0.07417
May	$0.07083	$0.07417	$0.07417	$0.07417	$0.07417	$0.07417
June	$0.07083	$0.07417	$0.07417	$0.07417	$0.07417	$0.07417
July	$0.07083	$0.07417	$0.07417	$0.07417	$0.07417	
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**	**$0.4450**

On June 18, 2012, the REIT announced a distribution of $0.07417 per Unit, payable on July 16, 2012 to unitholders of record as at June 30, 2012.

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 Debentures by a holder who acquired such Debentures 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 Debentures and any Units acquired under the terms of the Debentures (for the purposes of this section, collectively, the "**Securities**") as capital property (a "**Holder**"). Generally, Securities will be considered to be capital property to a Holder provided that the Holder does not hold the Securities 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 Securities 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 Securities 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 Securities 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 Securities.

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 Securities 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 Securities. Moreover, the income and other tax consequences of acquiring, holding or disposing of Securities 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 Securities. Consequently, a prospective Holder should consult the Holder's own tax advisor for advice with respect to the tax consequences of an investment in Securities based on the prospective Holder's particular circumstances.

Taxation of Holders of Debentures

Interest on Debentures

A Holder of Debentures that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on the Debentures that accrues (or is deemed to accrue) to it to the end of the particular taxation year (or if the Holder disposes of the Debentures in the year, that accrues or is deemed to accrue to it until the time of disposition) or that has become receivable by or is received by the Holder before the end of that taxation year, including on a conversion, redemption or repayment on maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder of Debentures will be required to include in computing income for a taxation year all interest on the Debentures that is received or receivable by such Holder in that taxation year (depending upon the method regularly followed by the Holder of Debentures in computing income), including on a conversion, redemption or repayment on maturity, except to the extent that the interest was included in the Holder's income for a preceding taxation year. However, such a Holder may be required to include in computing the Holder's income for a taxation year all interest (not otherwise required to be included in income) that accrues or is deemed to accrue on the Holder's Debentures to the end of any "anniversary day" (as defined in the Tax Act) in that year where payments under those Debentures are deferred as described under "Description of the Debentures — Subordination".

The fair market value of the premium paid by the REIT to a Holder of Debentures on a Put Date will generally be deemed to be interest received at that time by such Holder if such premium is paid by the REIT because of the repayment by it to the Holder of Debentures before their maturity and to the extent that such premium can reasonably be considered to relate to, and does not exceed the value on the Put Date, of the interest that would have been paid or payable by the REIT on the Debentures for taxation years of the REIT ending after the Put Date.

A Holder of Debentures 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 investment income for the year including interest.

Exercise of Conversion Privilege

A Holder of Debentures that converts a Debenture into Units pursuant to the conversion privilege will be considered to have disposed of the Debenture for proceeds of disposition equal to the aggregate of the fair market value of the Units so acquired at the time of the conversion and the amount of any cash received in lieu of fractional Units. The Holder of Debentures will realize a capital gain or capital loss computed as described below under "Dispositions of Debentures". The cost to the Holder of any Units must be averaged with the adjusted cost base of other Units held as capital property by the Holder for the purposes of calculating the adjusted cost base of such Units.

Redemption or Repayment of Debentures

If the REIT redeems a Debenture prior to maturity or repays a Debenture upon maturity and the Holder of Debentures does not exercise the conversion privilege prior to such redemption or repayment, the Holder of Debentures will be considered to have disposed of the Debenture for proceeds of disposition equal to the amount received by the Holder of Debentures (other than the amount received on account of interest) on such redemption or repayment. If the Holder receives Units on redemption or repayment, the Holder will be considered to have proceeds of disposition equal to the aggregate of the fair market value of the Units so received and the amount of any cash received in lieu of fractional Units. The Holder of Debentures may realize a capital gain or capital loss computed as described below under "Dispositions of Debentures". The cost to the Holder of the Units so received will also be equal to their fair market value at the time of acquisition, and must be averaged with the adjusted cost base of all other Units held as capital property by the Holder of Units for the purpose of calculating the adjusted cost base of such Units.

Dispositions of Debentures

A disposition or deemed disposition by a Holder of Debentures will generally result in the Holder of Debentures realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition (adjusted as described below) are greater (or less) than the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition.

One-half of any capital gain realized by the Holder will be included in the Holder's income under the Tax Act for the year of disposition as a taxable capital gain. One-half of any capital loss realized on a disposition of a Debenture may be generally deducted only from taxable capital gains realized by the Holder in the year of disposition, in the three preceding taxation years or in any subsequent taxation year, to the extent and under the circumstances described in the Tax Act. A capital gain realized by a Holder who is an individual or trust (other than certain trusts) may give rise to a liability for alternative minimum tax. A "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6⅔% on certain investment income for the year including taxable capital gains.

Upon such a disposition or deemed disposition of a Debenture, interest accrued thereon to the date of disposition and not yet due will be included in computing the Holder's income, except to the extent such amount was otherwise included in the Holder's income, and will be excluded in computing the Holder's proceeds of disposition of the Debenture. A Holder of a Debenture who has over accrued interest income will generally be entitled to a deduction in computing the Holder's income for a taxation year in which a Debenture is disposed of (including on conversion) for an amount equal to such over accrued income.

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 CDL 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 Debentures ("**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.

Acquisition 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 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 and a concurrent private placement with ECL for 2,334,630 Class B LP Units at a price of $12.85 per Class B LP Unit for gross proceeds of approximately $30 million.

On March 28, 2012, 28,893 Units were issued pursuant to the REIT's employee unit purchase plan at a price of $14.16 per Unit.

On March 29, 2012, the REIT completed a public offering of 4,630,000 Units at a price of $14.50 per Unit for gross proceeds of approximately $67.1 million and a concurrent private placement with ECL for 3,655,200 Class B LP Units of Crombie LP at a price of $14.50 per Class B LP Unit for gross proceeds of approximately $53 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	Date of Issuance	Number of Units Issued
January 30, 2012	2,230	May 3, 2012	10,307

February 10, 2012	5,000	May 4, 2012	11,615
February 27, 2012	769	May 7, 2012	3,076
February 28, 2012	12,615	May 8, 2012	9,461
March 7, 2012	307	May 10, 2012	1,538
March 16, 2012	11,538	May 11, 2012	769
March 19, 2012	1,384	May 14, 2012	26,769
April 9, 2012	769	May 15, 2012	6,615
April 23, 2012	2,692	May 16, 2012	9,153
April 24, 2012	2,846	May 17, 2012	8,769
April 25, 2012	14,769	May 18, 2012	38,692
April 26, 2012	4,846	May 22, 2012	58,461
April 27, 2012	80,692	May 22, 2012	6,923
May 1, 2012	4,846	May 22, 2012	1,677,769
May 2, 2012	6,153		

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
July 11, 2011	227,272	January 10, 2012	2,272
July 20, 2011	363	February 7, 2012	4,545
July 25, 2011	545	February 24, 2012	4,363
July 27, 2011	74,181	February 28, 2012	2,727
August 19, 2011	105,636	March 29, 2012	163,636
August 22, 2011	136,363	April 27, 2012	30,545
August 30, 2011	674,818	May 10, 2012	3,000
September 6, 2011	181,818	May 14, 2012	1,818
September 23, 2011	909	May 25, 2012	5,545
November 10, 2011	363	May 28, 2012	2,727
November 16, 2011	363	May 30, 2012	72,272
November 29, 2011	16,363	June 5, 2012	454
December 20, 2011	1,454	June 8, 2012	33,909
		June 20, 2012	68,635

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
June 2011	$13.30	$12.85	1,580,845
July 2011	$13.56	$12.97	962,331
August 2011	$13.14	$10.26	1,246,340
September 2011	$13.30	$12.40	1,402,898
October 2011	$13.33	$12.14	1,410,528
November 2011	$13.63	$12.82	1,389,812
December 2011	$14.19	$13.04	1,296,666
January 2012	$14.35	$13.67	1,792,082
February 2012	$14.59	$14.03	1,729,517
March 2012	$14.64	$13.64	1,706,730
April 2012	$14.32	$13.65	1,618,053
May 2012	$14.64	$13.93	2,417,161
June 2012 (1 –22)	$14.70	$13.91	1,120,476

On June 12, 2012, the last full trading day prior to the public announcement of the Offering, the closing price of the Units on the TSX was $14.34. On June 22, 2012, the last trading day prior to the date of this short form prospectus, the closing price of the Units on the TSX was $14.41.

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
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	555,000
November 2011	$123.00	$117.37	1,116,000
December 2011	$129.00	$119.30	811,000
January 2012	$129.94	$125.23	1,837,000
February 2012	$133.05	$127.20	940,000
March 2012	$132.31	$124.98	1,229,000
April 2012	$129.85	$125.15	467,000
May 2012	$132.00	$126.17	815,000
June 2012 (1 –22)	$133.00	$126.19	1,294,000

On June 12, 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 $129.62. On June 22, 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 $130.00.

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
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	494,000
November 2011	$103.00	$101.15	375,000
December 2011	$106.45	$102.50	272,000
January 2012	$105.00	$103.54	59,000
February 2012	$105.80	$104.00	865,000
March 2012	$105.75	$104.25	516,000
April 2012	$105.50	$104.25	556,000
May 2012	$106.00	$105.01	459,000
June 2012 (1 –22)	$106.01	$105.50	492,000

On June 12, 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 $105.51. On June 22, 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 $105.51.

RISK FACTORS

An investment in securities of the REIT involves risk. Any prospective investor should carefully consider the risk factors set forth below and in the information incorporated by reference herein (including those discussed in the Risk Management section of the REIT management's discussion and analysis of the consolidated financial condition and results of operations of the REIT for the year ended December 31, 2011 and the REIT's management's discussion and analysis of the consolidated financial conditions and results of operations of the REIT for the quarter ended March 31, 2012, 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.

Market Value Fluctuation

Prevailing interest rates on similar debt instruments will affect the market value of the Debentures. Assuming all other factors remain unchanged, the market value of the Debentures would be expected to decline as prevailing interest rates for comparable debt instruments rise, and would be expected to increase as prevailing interest rates for comparable debt instruments decline.

Absence of Trading Market

There is currently no market through which the Debentures may be sold. No assurance can be given as to whether an active trading market will develop or be maintained for the Debentures. To the extent that an active trading market for the Debentures does not develop, the liquidity and trading prices for the Debentures may be adversely affected. If the Debentures are traded after their initial issuance, they may trade at a discount from their initial public offering price depending on prevailing interest rates, the market for similar securities, the performance of the REIT and other factors.

No Limit on Debt

The Indenture does not contain any provision limiting the REIT's ability to incur indebtedness generally.

MATERIAL CONTRACTS

The material contracts entered into or to be entered into by the REIT and/or its affiliates in connection with the Offering are as follows:

(a) the Underwriting Agreement; and

(b) the Third Supplemental Indenture.

Copies of each of the foregoing agreements may be obtained on request without charge from the Secretary 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 the REIT 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 June 25, 2012 qualifying the distribution of Debentures 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 and 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
June 25, 2012

(Signed) "*Grant Thornton LLP*"
Chartered Accountants

CERTIFICATE OF THE REIT

Dated: June 25, 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: June 25, 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) "*Charles Vineberg*"

TD SECURITIES INC.

By: (Signed) "*David Barnes"*

BMO NESBITT BURNS INC.

By: (Signed) "*Ashish P. Mathur*"

NATIONAL BANK FINANCIAL INC.

By: (Signed) "*Glen Hirsh*"

CANACCORD GENUITY CORP.

By: (Signed) "*Justin Bosa*"

MACQUARIE CAPITAL MARKETS CANADA LTD.

By: (Signed) "*John Bartkiw*"

RAYMOND JAMES LTD.

By: (Signed) "*Graham Fell*"

BROOKFIELD FINANCIAL CORP.

By: (Signed) "*Mark Murski*"

DESJARDINS SECURITIES INC.

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

Crombie
REIT