CANADIAN APARTMENT PROPERTIES
REAL ESTATE INVESTMENT TRUST
NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS
TO BE HELD ON MAY 16, 2012

NOTICE IS HEREBY GIVEN THAT the Annual and Special Meeting (the "**Meeting**") of the holders (the "**Unitholders**") of units (the "**Units**") and special voting units (the "**Special Voting Units**") of Canadian Apartment Properties Real Estate Investment Trust (the "**Trust**") will be held at One King West Hotel & Residence, 1 King Street West, Toronto, Ontario, M5H 1A1 on May 16, 2012 at 4:30 p.m. (Toronto time) for the following purposes:

1. to receive the audited consolidated financial statements of the Trust for the financial year ended December 31, 2011, together with the auditors' report thereon;

2. to elect the trustees of the Trust;

3. to re-appoint the auditor of the Trust and authorize the trustees to fix the remuneration to be paid to the auditor;

4. to consider and, if thought fit, to approve an ordinary resolution authorizing amendments to the Trust's existing equity incentive plans to amend the maximum number of Units issuable thereunder from an aggregate amount of 7,000,000 Units to an aggregate amount equal to, at all times, ten percent (10%) of the number of issued and outstanding Units of the Trust, as set forth in Schedule "A" of the annexed Management Information Circular, which, if approved, would result in 8,578,318 Units being issuable under such plans as of April 2, 2012; and

5. to transact such further or other business as may properly come before the Meeting or any adjournments or postponements thereof.

Accompanying this Notice of the Meeting are a copy of the Management Information Circular and form of proxy. If you are a new Unitholder or a non-registered Unitholder who did not elect to receive the Trust's annual report, you can view the annual report on our website at www.capreit.net. If you wish a hard copy of this report, please contact us at ir@capreit.net or (416) 861-9404.

If you are unable to attend the Meeting in person, kindly sign and return the enclosed form of proxy and deposit it with Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, or to the head office of the Trust, 11 Church Street, Suite 401, Toronto, Ontario M5E 1W1, not later than 4:30 p.m. (Toronto time) on May 14, 2012 or, if the Meeting is adjourned or postponed, prior to 4:30 p.m. (Toronto time) on the second business day before any adjournment or postponement of the Meeting.

DATED at Toronto, Ontario this 2nd day of April, 2012.

BY ORDER OF THE BOARD OF TRUSTEES OF
CANADIAN APARTMENT PROPERTIES
REAL ESTATE INVESTMENT TRUST

(Signed) THOMAS SCHWARTZ
President and Chief Executive Officer

CANADIAN APARTMENT PROPERTIES
REAL ESTATE INVESTMENT TRUST

ANNUAL AND SPECIAL MEETING OF UNITHOLDERS
MANAGEMENT INFORMATION CIRCULAR

April 2, 2012

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ADDENDUM

CANADIAN APARTMENT PROPERTIES REAL ESTATE INVESTMENT TRUST MANAGEMENT INFORMATION CIRCULAR RELATING TO THE ANNUAL AND SPECIAL MEETING OF UNITHOLDERS TO BE HELD ON MAY 16, 2012

SOLICITATION OF PROXIES

This management information circular (the "**Circular**") is furnished in connection with the solicitation by and on behalf of the management of Canadian Apartment Properties Real Estate Investment Trust (the "**Trust**") of proxies to be used at the annual and special meeting (the "**Meeting**") of the holders (the "**Unitholders**") of the units (the "**Units**") and the special voting units (the "**Special Voting Units**") of the Trust to be held on the 16th day of May, 2012, at the time and place and for the purposes set forth in the notice of meeting (the "**Notice of Meeting**") accompanying this Circular and at any adjournment(s) or postponement(s) thereof. It is expected that the solicitation will be primarily by mail. The costs of the solicitation will be borne by the Trust. All information in this Circular is given as of April 2, 2012 unless otherwise indicated.

APPOINTMENT OF PROXIES

A form of proxy is enclosed and, if it is not your intention to be present in person at the Meeting, you are asked to complete and return the form of proxy in the envelope provided. The proxy must be executed by the Unitholder or the attorney of such Unitholder, duly authorized in writing. Proxies to be used at the Meeting must be deposited with Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, or the head office of the Trust, 11 Church Street, Suite 401, Toronto, Ontario M5E 1W1, not later than 4:30 p.m. (Toronto time) on May 14, 2012 or, if the Meeting is adjourned or postponed, prior to 4:30 p.m. (Toronto time) on the second business day before any adjournment(s) or postponement(s) of the Meeting.

The persons designated in the enclosed form of proxy are trustees and executive officers of the Trust. **Each Unitholder has the right to appoint a person (who need not be a Unitholder), other than the person specified in the enclosed form of proxy, to attend and act on his or her behalf at the Meeting or any adjournment(s) or postponement(s) thereof.** Such right may be exercised by striking out the names of the specified persons and inserting the name of the Unitholder's nominee in the space provided or by completing another appropriate form of proxy and, in either case, delivering the form of proxy to the Trust prior to the holding of the Meeting.

Non-Registered Unitholders

Only registered Unitholders, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. Most Unitholders are "non-registered" Unitholders because the Units they own are not registered in their names, but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased their Units. More particularly, a person is not a registered Unitholder in respect of Units which are held on behalf of that person (the "**Non-Registered Unitholder**") but which are registered either:

(i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Unitholder deals with in respect of the Units (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or

(ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Trust has distributed copies of the Notice of Meeting, this Circular and the form of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Unitholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Unitholders unless a Non-Registered Unitholder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to only registered Unitholders. Generally, Non-Registered Unitholders who have not waived the right to receive Meeting Materials will either:

(i) be given (typically by a facsimile, stamped signature) a form of proxy which has already been signed by the Intermediary, which is restricted as to the number of Units beneficially owned by the Non-Registered Unitholder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Unitholder when submitting the proxy. In this case, the Non-Registered Unitholder who wishes to submit a proxy should otherwise properly complete the form of proxy and deliver it to the Trust c/o Computershare Investor Services Inc. as provided above; or

(ii) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Unitholder and returned to the Intermediary or its designated service company, will constitute voting instructions (often called a "**proxy authorization form**") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regularly printed proxy form accompanied by a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Unitholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of these procedures is to permit Non-Registered Unitholders to direct the voting of the Units which they beneficially own. Should a Non-Registered Unitholder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Unitholder should strike out the names of the designated proxyholders and insert the Non-Registered Unitholder's name in the blank space provided. In either case, Non-Registered Unitholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.

A Unitholder executing the enclosed form of proxy may revoke it by depositing an instrument in writing executed by such Unitholder or by his or her attorney authorized in writing (i) at the registered office of the Trust, 11 Church Street, Suite 401, Toronto, Ontario M5E 1W1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, at which the proxy is to be used or (ii) with the chairman of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof. Only registered Unitholders have the right to revoke a proxy. Non-Registered Unitholders who wish to change their vote must, at least seven (7) days before the Meeting, arrange for their respective Intermediaries to revoke the proxy on their behalf.

EXERCISE OF DISCRETION BY PROXIES

The Units and Special Voting Units represented by any proxy received by management will be voted or withheld from voting by the persons named in the enclosed form of proxy in accordance with the direction of the Unitholder appointing them. In the absence of any direction to the contrary, it is intended that the Units and Special Voting Units represented by proxies received by management will be voted on any ballot "for": (i) the election of the trustees; (ii) the re-appointment of the auditor of the Trust; and (iii) the proposed amendments to the Trust's equity incentive plans to amend the maximum number of Units issuable thereunder to an aggregate amount equal to, at all times, ten percent (10%) of the number issued and outstanding of Units of the Trust, which, if approved, would result in 8,578,318 Units being issuable under such plans as of April 2, 2012, all as described in this Circular.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to matters not specifically mentioned in the Notice of Meeting but which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof and with respect to amendments to or variations of matters identified in the Notice of Meeting. As at April 2, 2012, management knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting and routine matters incidental to the conduct of the Meeting. If any further or other business is properly brought before the Meeting, it is intended that the persons appointed as proxy will vote on such other business in such manner as such persons then consider to be proper.

AUTHORIZED CAPITAL, VOTING UNITS AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Trust consists of an unlimited number of Units and an unlimited number of Special Voting Units. As at April 2, 2012, 85,783,180 Units and 411,311 Special Voting Units were issued and outstanding. CAPREIT Limited Partnership ("**CAPLP**"), a subsidiary of the Trust, has issued 411,311 Class B Units, which are exchangeable into 411,311 Units on a one-for-one basis pursuant to the terms of an exchange agreement dated July 9, 2007 among the Trust, CAPLP and Ridge Pine Park Inc. (predecessor-in-interest to Rice Development Corp.), the initial holder of the issued Class B Units. Accordingly, throughout this Circular whenever reference is made to the outstanding Units, such reference assumes that the 411,311 Units issuable on the exchange of the CAPLP Class B Units have been so issued.

A holder of Units is entitled to one (1) vote in respect of each matter to be voted upon at the Meeting for each Unit registered in his or her name as at the close of business on April 11, 2012 (the "**Record Date**"). Only Unitholders of record on the books of the Trust as of the close of business on the Record Date are entitled to receive notice of and vote at the Meeting.

Subject to the restrictions set forth in the Trust's Declaration of Trust, each holder of Special Voting Units is entitled to a number of votes at all meetings of Unitholders or in respect of any written resolution of Unitholders equal to the number of Units into which the Exchangeable Securities (as defined in the Declaration of Trust) to which such Special Voting Units relate are, directly or indirectly, exchangeable or convertible (other than in respect of Exchangeable Securities which have been so exchanged, converted or cancelled).

To the knowledge of the trustees and officers of the Trust, as at April 2, 2012, no person or company beneficially owns, or controls or directs, directly or indirectly, Units or Special Voting Units carrying more than ten percent (10%) of the voting rights attached to any class of voting securities of the Trust, except as follows: CIBC Global Asset Management Inc. reported that as a result of transactions in the market in the ordinary course of business, the aggregate number of Units held by all of its client accounts as at January 31, 2012 was 8,995,356, representing approximately 10.51% of all outstanding Units at such date.

QUORUM

The quorum at the Meeting or any adjournment thereof shall consist of at least two (2) individuals present in person, each of whom is a holder of Units or Special Voting Units or a proxyholder representing a holder of Units or Special Voting Units, and who hold or represent by proxy not less than ten percent (10%) of the total number of outstanding Units and Special Voting Units.

MATTERS REQUIRING UNITHOLDER APPROVAL

1. Election of Trustees

The Trust's Declaration of Trust provides for a flexible number of trustees, subject to a minimum of seven (7) and a maximum of eleven (11). Unitholders have authorized the board of trustees to increase or decrease, from time to time, the number of trustees within the limits prescribed by the Declaration of Trust, provided that the trustees may not appoint an additional trustee if, after such appointment, the total number of trustees would be greater than one and one-third ($1^{1/3}$) times the number of trustees in office immediately following the last annual meeting of Unitholders.

The number of trustees is currently fixed at seven (7). **It is intended that on any resolution or ballot that may be called for relating to the election of the trustees, the Units and Special Voting Units represented by proxies in favour of management nominees will be voted in favour of the election, separately, of each of Harold Burke, Paul Harris, Edwin F. Hawken, Thomas Schwartz, Michael Stein, Stanley Swartzman and David Williams as a trustee of the Trust, unless a Unitholder has specified in his or her proxy that his or her Units or Special Voting Units are to be withheld from voting on the election of trustees.** Management does not contemplate that any of the proposed nominees will be unable to serve as a trustee, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised to vote the Units or Special Voting Units represented by such proxies for the election of such other person or persons as trustees nominated in accordance with the Declaration of Trust and the best judgment of the management nominees. The Trust has been informed by each nominee that he is willing to stand for election and to serve as a trustee.

The trustees have adopted a policy that entitles each Unitholder to vote for each nominee on an individual basis. The trustees have also adopted a policy stipulating that if the votes in favour of the election of a nominee at a Unitholders' meeting represent less than a majority of the Units or Special Voting Units voted and withheld, the nominee will be expected to submit to the board of trustees his or her resignation, to take effect upon acceptance by the board of trustees. The board of trustees will then have 90 days to accept the resignation, during which time an alternate trustee may be appointed. The board of trustees, however, may reject the resignation if in the trustees' discretion it is appropriate to do so.

The current term of office of the trustees of the Trust will expire at the close of the Meeting. It is proposed that each of the persons whose name appears below be elected as a trustee of the Trust to serve until the close of the next annual meeting of Unitholders or until his successor is elected or appointed.

The following table sets forth the name and residence of each of the nominees, whether each nominee is an "independent" trustee (as that term is defined in National Instrument 52-110 — *Audit Committees* ("**NI 52-110**")), their respective principal occupations, the year each of them became a trustee, and information as to voting and other securities of the Trust beneficially owned, or controlled or directed, directly or indirectly, by each of them as at April 2, 2012.

Nominee as Trustee and Place of Residence	Position Presently Held with the Trust	Independent Trustee (Yes or No)	Principal Occupation	Trustee Since	Units, Deferred Units[1], and RURs[2] Beneficially Owned, or Controlled or Directed, Directly or Indirectly, as of April 2, 2012[3]		
					#	$	%
HAROLD BURKE[5][6], Toronto, Ontario, Canada	Trustee	Yes	Principal, Dundee Real Estate Asset Management (a real estate management firm)	2010	11,330	258,777	0.01
PAUL HARRIS[4], Montréal, Québec, Canada	Trustee	Yes	Partner, Davies, Ward, Phillips & Vineberg LLP (a law firm)	1998	76,100	1,738,124	0.09
EDWIN F. HAWKEN[4][5], Toronto, Ontario, Canada	Trustee	Yes	Corporate Director	2004	71,761	1,639,021	0.08
THOMAS SCHWARTZ, Toronto, Ontario, Canada	President and Chief Executive Officer and a Trustee	No	President and Chief Executive Officer of the Trust	1997	2,512,466	57,384,723	2.93
MICHAEL STEIN, Toronto, Ontario, Canada	Chairman of the Trust and a Trustee	No	Chairman and Chief Executive Officer of MPI Group Inc.	1997	598,827	13,677,209	0.70
STANLEY SWARTZMAN[5][6], Toronto, Ontario, Canada	Lead Trustee	Yes	Vice President, Real Estate and Store Planning of Sears Canada	1997	127,542	2,913,059	0.15

Nominee as Trustee and Place of Residence	Position Presently Held with the Trust	Independent Trustee (Yes or No)	Principal Occupation	Trustee Since	Units, Deferred Units[(1)], and RURs[(2)] Beneficially Owned, or Controlled or Directed, Directly or Indirectly, as of April 2, 2012[(3)]		
					#	$	%
DAVID WILLIAMS[(4)(6)], Toronto, Ontario, Canada	Trustee	Yes	Corporate Director	2002	75,804	1,731,363	0.09

Notes:

(1) Deferred Units are issued under the DUP (as defined below; see "Deferred Unit Plan Summary").

(2) RURs (as defined below) are issued under the RUR Plan (as defined below), and vest on the third anniversary of the grant date; see "Significant Terms of Executive Employment Agreements".

(3) Individual trustees have furnished information as to Units, Deferred Units and, in the case of Mr. Schwartz, RURs, beneficially owned, or controlled or directed, directly or indirectly, by them. The column entitled "#" indicates the number of such interests beneficially owned, controlled or directed, directly or indirectly by each nominee; the column entitled "$" indicates the estimated market value of such interests beneficially owned, or controlled or directed, directly or indirectly, by each nominee, as determined by multiplying the number of such interests beneficially owned, or controlled or directed, directly or indirectly by each nominee by the closing price of the Units on the Toronto Stock Exchange on April 2, 2012; and the column entitled "%" indicates as a percentage of the issued and outstanding Units of the Trust, the number of the interests beneficially owned, or controlled or directed, directly or indirectly, by each nominee. The number of Units includes LTIP (as defined below; see "Long-Term Incentive Plan Summary") and SELTIP (as defined below; see "Senior Executive Long-Term Incentive Plan Summary") Units, as applicable. In addition, Mr. Schwartz holds 452,250 options to acquire Units which are not included in the total number of Units. Percentages represent, as a percentage of the outstanding Units (including Special Voting Units) of the Trust, the number of Units beneficially owned, or controlled or directed, directly or indirectly, by each trustee.

(4) Member of the Compensation and Governance Committee.

(5) Member of the Investment Committee.

(6) Member of the Audit Committee.

Experience of Trustee Nominees

The nature and extent of the experience of the trustees of the Trust in the real estate industry, their principal occupations during the last five (5) years and their current public board memberships are as follows.

Harold Burke, CA, ICD.D (Age: 65) is a Principal at Dundee Real Estate Asset Management, a division of Dundee Realty Corporation, which he joined in July 2008. Mr. Burke has more than 30 years of professional practice in the tax area, at PricewaterhouseCoopers LLP, its predecessor, Coopers & Lybrand LLP, and another major Canadian accounting firm. Mr. Burke is recognized as a specialist in the area of real estate-related financial services as well as in domestic and international taxation issues. While a senior partner at PricewaterhouseCoopers LLP, Mr. Burke advised a diverse domestic and foreign clientele many of which were public, private and institutional, on a variety of matters including mergers and acquisitions, capital markets financing and investment structuring. He is a Chartered Accountant and holds the Institute of Corporate Directors, Institute-Certified Director Designation, ICD.D.

Paul Harris (Age: 60) has been a senior partner in the law firm of Davies Ward Phillips & Vineberg LLP since 1984. Mr. Harris' current directorships include the Montréal Alouettes Football Club.

Edwin F. Hawken (Age: 72) is Chairman of Danier Leather Inc., a publicly traded specialty apparel leather retailer. He was Chief Executive Officer and a Director of Commcorp Financial Services Inc. from 1991 to 1997. From 1987 to 1991, Mr. Hawken was a Senior Vice President of Canadian Imperial Bank of Commerce ("**CIBC**") and President of CIBC Leasing Inc.

Thomas Schwartz (Age: 63) graduated as a Chartered Accountant in 1975 and went on to pursue a career in real estate development. Mr. Schwartz, along with a partner, founded Intraurban Projects in 1976 to specialize in the development of new housing projects in mature communities. Intraurban has built and developed over 2,500 housing units serving all market segments from luxury to affordable. Mr. Schwartz, through York Heritage Properties and Intraurban Projects, has participated in the development, construction, and management of over 600,000 sq. ft. of office, commercial and retail space. Mr. Schwartz is active in industry and government affairs. He has served on the Board of Directors of the Greater Toronto Home Builders Association, the City of Toronto's Housing Action Committee, as Director of Kehilla Residential Consultants, on the Board of Directors of the Ontario New Home Warranty Program, and as Chairman of the Board of Directors of the Federation of Rental-housing Providers of Ontario. Mr. Schwartz is currently on the Board of Trustees of Chartwell Seniors Housing REIT, the Board of Directors of the Real Property Association of Canada, and is a member of the Schulich School of Business Advisory Council – Program in Real Estate and Infrastructure.

Michael Stein (Age: 61) has been Chairman and Chief Executive Officer of MPI Group Inc., a company engaged in real estate investment and development, since 1994. Mr. Stein has also held the position of Chairman and Chief Executive Officer of MICC Properties Inc., a company engaged in real estate investment and development, since 1987. Mr. Stein was a director of Minera Andes Inc., a company listed on the Toronto Stock Exchange ("**TSX**"), from February 23, 2009 until January 24, 2012, when it was acquired by, and Mr. Stein became a director of, McEwan Mining Inc., a TSX-listed and NYSE-listed company. Between 1978 and 1987, Mr. Stein held progressively senior positions, ultimately holding the position of Executive Vice President responsible for operations, with The Mortgage Insurance Co. of Canada. Between 2000 and 2006, Mr. Stein was also a member of the Board of Directors of Goldcorp Inc., a public natural resource company the shares of which are listed on the TSX and New York Stock Exchange. Mr. Stein is a graduate engineer and holds a master of business administration in finance and international business from Columbia University in New York.

Stanley Swartzman (Age: 72) is Vice President, Real Estate and Store Planning, of Sears Canada, a national retailer. Previously, Mr. Swartzman was Executive Vice President of Loblaw Properties Limited, the company responsible for all Canadian real estate and development matters for Loblaw Companies Limited, from 1997 to 1999. From 1983 to 1996, Mr. Swartzman was President of IPCF Properties Inc., the company which was previously responsible for real estate and development matters for Loblaw Companies Limited in Ontario and Eastern Canada. Since July 2008, Mr. Swartzman has served as a director of GT Canada Capital Corporation and is the Chairman of its investment committee. Mr. Swartzman was formerly a director of Centre Fund Corporation and served on its audit committee.

David Williams (Age: 70) was the former Interim President and Chief Executive Officer and Chairman of the Board of, and currently serves as a director of Shoppers Drug Mart Corporation. Prior to this Mr. Williams was President and Chief Executive Officer of the Ontario Workplace Safety and Insurance Board. Prior to that Mr. Williams held senior executive and finance roles with George Weston Limited and Loblaw Companies Limited, including a term as Chief Financial Officer of Loblaw Companies Limited. He also serves as a Lead Independent Director of Aastra Technologies Limited and a director of Toronto Hydro Corporation. Mr. Williams is a graduate of the ICD Corporate Governance College.

The skills matrix below summarizes the expertise possessed by each nominee trustee. The areas of expertise outlined in the skills matrix below are considered in assessing candidates during the nomination process. Such areas of expertise are referred to in identifying any skills gaps. The emphasis placed on any particular area of expertise may change as part of the ongoing assessment of the composition of the board of trustees.

Area of Expertise	Burke	Harris	Hawken	Schwartz	Stein	Swartzman	Williams
Enterprise Leadership		✓	✓	✓	✓	✓	✓
Management Experience	✓	✓	✓	✓	✓	✓	✓
Board Experience		✓	✓	✓	✓	✓	✓
Legal/Tax	✓	✓					
Real Estate	✓	✓	✓	✓	✓	✓	✓
Human Resources		✓	✓	✓	✓	✓	✓
Corporate Governance		✓	✓	✓	✓	✓	✓
Financial Acumen	✓	✓	✓	✓	✓	✓	✓
Government Relations				✓	✓	✓	✓
Capital Markets	✓	✓	✓	✓	✓		

2. Appointment of Auditor

The board of trustees proposes to nominate PricewaterhouseCoopers LLP, Chartered Accountants, the present auditor of the Trust, as the auditor of the Trust to hold office until the close of the next annual meeting of the Unitholders and to authorize the trustees to fix the remuneration of the auditor. **The persons named in the enclosed form of proxy intend to vote at the Meeting in favour of this resolution, unless the Unitholder has specified in the form of proxy that such Unitholder's Units or Special Voting Units are to be withheld from voting on the resolution.**

3. Special Business – Amendments to Equity Incentive Plans

As at April 2, 2012, a total of 1,672,927 Units have been issued under the Trust's long-term incentive plan ("**LTIP**") (representing approximately 1.95% of the issued and outstanding Units at such date), 817,914 Units have been issued under the Trust's senior executive long-term incentive plan ("**SELTIP**") (representing approximately 0.95% of the issued and outstanding Units at such date), 423,725 Units have been issued under the Trust's unit purchase plan ("**Unit Purchase Plan**") (representing approximately 0.49% of the issued and outstanding Units at such date), 116,856 Units have been issued under the Trust's employee unit purchase plan ("**EUPP**") (representing approximately 0.14% of the issued and outstanding Units at such date). A total of 259,349 restricted unit rights ("**RURs**") have been granted under the Trust's RUR Plan (the Units issuable under such grants constitute approximately 0.30% of the Trust's issued and outstanding Units at such date). A total of 34,847 Units have been settled under the Trust's deferred unit plan ("**DUP**") (representing approximately 0.04% of the issued and outstanding Units at such date) and a further 116,784 Units are issuable under the Trust's DUP (representing approximately 0.14% of the issued and outstanding Units at such date). Under the Trust's unit option plan ("**Unit Option Plan**"), as at April 2, 2012, 2,004,500 options have been exercised and 540,750 remain outstanding and unexercised (representing, in the aggregate, approximately 2.97% of the number of outstanding Units at such date). The LTIP, SELTIP, Unit Purchase Plan, EUPP, RUR Plan, DUP and Unit Option Plan are collectively referred to herein as the "**Plans**".

Currently, the maximum number of Units issuable under all of the Plans is 7,000,000 Units (representing approximately 8.16% of the number of outstanding Units as of April 2, 2012). The number of Units remaining available for future issuance under all of the Plans is 1,012,348 Units as at April 2, 2012 (representing approximately 1.18% of the issued and outstanding Units at such date). At a meeting of Unitholders in May 2011, Unitholders approved the amendments to the Plans to increase the maximum number of Units issuable thereunder from an aggregate of 6,000,000 Units to an aggregate of 7,000,000 Units. When the maximum number of 7,000,000 Units was set at the meeting of Unitholders in May 2011, it represented approximately 9.06% of the number of outstanding Units of the Trust at such time. Since May 2011, pursuant to offerings of Units to the public and other issuances, the Trust has issued additional Units such that the number of issued and outstanding Units of the Trust has increased to 85,783,180 as at April 2, 2012.

The Trust proposes to amend the Plans to provide that the maximum number of Units issuable under all of the Plans will be an amount equal to, at all times, ten percent (10%) of the number of issued and outstanding Units of the Trust, by amending the relevant provisions of the Trust's Plans. If approved, the maximum number of Units issuable under all of the Plans as of April 2, 2012 would increase by 1,578,318 Units to 8,578,318 Units.

On January 1, 2005 the TSX amended its rules (the "**TSX Rules**") such that the maximum number of Units issuable under security based compensation arrangements of a TSX issuer (such as the Trust) may be a rolling number based on a fixed percentage of the number of outstanding Units of such issuer from time to time. Pursuant to Section 613 of the TSX Rules, a TSX issuer that has security based compensation arrangements that do not have a fixed maximum aggregate of Units issuable thereunder, must have a majority of the trustees and Unitholders of the issuer approve and reaffirm the unallocated options, rights and other entitlements under the Plans every three (3) years.

The board of trustees has deemed it desirable and in the best interest of the Trust to amend the Plans so that the maximum number of Units issuable under all of the Plans be a rolling number equal to ten percent (10%) of the number of issued and outstanding Units of the Trust from time to time. The board of trustees believes that amending the Plans to provide for a rolling maximum number of Units will enable the Trust to continue to attract, retain and motivate personnel whose contributions are important to the future success of the Trust. The TSX Rules require that the Unitholders of the Trust approve the amendments to the Plans. If Unitholders approve such amendments to the Plans at the Meeting, Unitholders will be required to approve the Plans every three (3) years thereafter.

For more information regarding the provisions of the Plans, please see "Incentive Plan Awards – Narrative Discussion – Equity Based Incentive Plans".

Unitholder approval of such amendments will be required. If such amendments are approved by Unitholders, the total maximum number of Units issuable under all of the Plans will be an amount equal to, at all times, ten percent (10%) of the number of issued and outstanding Units of the Trust.

Approval Required

The text of the ordinary resolution approving amendments to the existing Plans to amend the maximum number of Units issuable under all of the Plans is set forth in Schedule ''A'' to this Circular. To be effective, the resolution must be passed by the majority of votes cast by Unitholders present or represented by proxy at the Meeting, other than votes attaching to Units beneficially owned, directly or indirectly, by "reporting insiders" (as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*) eligible to participate under the Plans. The number of Units beneficially owned by reporting insiders eligible to participate under the Plans (and therefore the number of votes attaching to such Units) is 3,774,453. **The persons named in the enclosed form of proxy intend to vote at the Meeting in favour of this resolution, unless the Unitholder has specified in the form of proxy that such Unitholder's Units or Special Voting Units are to be voted against the resolution.**

COMPENSATION DISCUSSION & ANALYSIS

Compensation Discussion and Analysis

Year in Review/Executive Summary

Notwithstanding the weakened global economic fundamentals experienced in 2011, the Trust has continued to achieve its key financial and strategic objectives. While the trustees use NFFO (as defined below) as the key measure for performance-based compensation, the trustees recognize the significant achievements of the Trust's key objectives in 2011 including:

Portfolio Performance

- Operating Revenues — Annual operating revenues increased by 6.8%, due to acquisitions, higher average monthly rents and improving occupancies.
- Average Monthly Rents — Average monthly rents rose 1.2% as at December 31, 2011, with a slight increase in overall occupancy to 98.5% from 98.4%.
- Net Operating Income ("**NOI**") — Annual NOI increased by 8.3% (3.9% on a stabilized portfolio basis). NOI is a key indicator of operating performance in the real estate industry and of the Trust's performance. NOI is comprised of all rental revenues generated at the property level, less (i) related direct costs such as utilities, realty taxes, insurance, repairs and maintenance and on-site wages and salaries, and (ii) an appropriate allocation of overhead costs.
- NOI margin increased 1.4% from 56.2% to 57.0%.
- The Trust has generated twenty-four consecutive quarters of stable or improved year-over-year NOI growth for stabilized properties.

Operating Performance

- Normalized Funds From Operations ("**NFFO**") — NFFO for the year ended December 31, 2011 increased 12.9% to $103.9 million compared to $92.0 million in 2010, generating an improved NFFO payout ratio of 82.8% compared to 82.1% in 2010. NFFO is an important measure of the Trust's operating performance and the primary indicator with respect to the sustainability of the Trust's distributions. Management considers NFFO to be a better year-over-year comparator of performance than FFO as it adjusts for non-recurring or unusual items and provides a better indicator of the Trust's long-term cash flow generation capability. NFFO is calculated by excluding from FFO the effects of certain non-recurring items, including changes in fair value of hedging instruments, amortization of losses on certain hedging instruments, and losses incurred on the amendment of natural gas contracts.

Liquidity and Leverage

- Debt to Gross Book Value — Total debt to gross book value as at December 31, 2011 was conservative at 50.27%.

- Debt Financings and Mortgage Renewals — The Trust achieved its debt financing and mortgage refinancing targets for 2011. Mortgage refinancings totaled $289.2 million in 2011, consisting of renewals of existing mortgages of $217.9 million and additional top up financings of $71.3 million. New financings were completed at a weighted average interest rate of 3.43%, which is well below the weighted average interest rate for the mortgages that matured in 2011.

- Interest and Debt Coverage — Improved interest coverage and debt service coverage ratios of 2.20 and 1.38 times, respectively, were achieved in 2011.

The Compensation and Governance Committee

The Declaration of Trust requires the creation of a Compensation and Governance Committee (the "**Compensation and Governance Committee**"), consisting of at least three (3) trustees, to review the governance of the Trust and the compensation offered to officers of the Trust. All of the members of the Compensation and Governance Committee are unrelated and "independent" (as that term is defined in NI 52-110). As of April 2, 2012, the Compensation and Governance Committee of the Trust consisted of the following trustees: Paul Harris, Edwin F. Hawken and David Williams. David Williams serves as Chairman of the Compensation and Governance Committee.

The Compensation and Governance Committee assists the board of trustees in fulfilling its governance responsibilities for the Trust's human resource principles and policies. As part of its mandate, the Compensation and Governance Committee reviews the Trust's compensation principles and policies annually and reports to the board of trustees on the Trust's executive officer and trustee compensation. The Compensation and Governance Committee has specific responsibilities relating to: structuring and reviewing compensation plans; the administration of the Trust's compensation plans; reviewing the Trust's governance framework, activity and disclosure; the composition and performance of the board and its committees; reviewing compliance with the Code of Business Ethics and Conduct and Disclosure Policy; and proposing new nominees for appointment to the board, orienting new trustees and providing continuing education for existing trustees. For more information on the responsibilities, powers and operations of the Compensation and Governance Committee, please see "Statement of Governance Practices - Committees of Trustees – Compensation and Governance Committee" and "Statement of Governance Practices - Positions Descriptions – Compensation and Governance Committee".

In 2011, the Compensation and Governance Committee:

- reviewed the performance of the Trust and senior management relative to the Trust's annual and long-term objectives and relative to its executive compensation comparator group;
- reviewed and made recommendations to the board of trustees on the compensation of trustees and of the President and Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Chief Accounting Officer; and
- reviewed the succession plan for certain of the Trust's senior executives. The Trust has a formal process for reviewing and approving succession plans for the President and Chief Executive Officer and other members of senior management. The President and Chief Executive Officer is responsible for the development of succession plans for himself and for other senior management. The Compensation and Governance Committee and the board of trustees reviewed and approved the plans in 2010, and continue to review and monitor the candidates identified, ensuring the management and development of their skills, experience and preparedness. These plans provide for succession in both the ordinary course, as well as in the event of an emergency which would require immediate replacement of the President and Chief Executive Officer or other officers of the Trust.

The Compensation and Governance Committee meets at least four (4) times per year, or more frequently as required. The Chairman reports to the board of trustees on the Compensation and Governance Committee's operations at each regularly scheduled board meeting. The Compensation and Governance Committee also reviewed and approved the Compensation Discussion and Analysis included in this Circular. For the purposes of this Circular, the named executive officers (as that term is defined in Form 51-102F6 — *Statement of Executive Compensation* ("**NI 51-102F6**")) include Messrs. Schwartz, Cryer and Kenney and Ms. Amaral (each, an "**NEO**" and together, the "**NEOs**"). In addition Mr. Smith, the Trust's former Chief Financial Officer, who resigned effective June 24, 2011, is also an NEO as defined in NI 5I-102 F6.

To better align the interests of management of the Trust with the interests of Unitholders, the compensation paid to the NEOs consists of a base salary supplemented by such performance-based incentives as may be determined by the board of trustees. The base salary and the parameters for the performance-based incentives paid to Messrs. Schwartz, Smith, Cryer and Kenney and Ms. Amaral are governed by the terms of their employment agreements, as amended, dated January 1, 2005 in the cases of Messrs. Schwartz and Kenney and Ms. Amaral, dated September 30, 2009 in the case of Mr. Smith and dated May 27, 2011 in the case of Mr. Cryer (the "**Executive Contracts**"), as more fully described under "Significant Terms of Executive Employment Agreements".

The Compensation and Governance Committee is directly involved in the negotiation and settlement of the terms of the Executive Contracts. In determining the appropriate terms of the Executive Contracts, the Compensation and Governance Committee considers the following objectives:

(iii) retaining executives who are critical to the success of the Trust and the enhancement of Unitholder value;

(iv) providing fair and competitive compensation; and

(v) balancing the interests of management and Unitholders of the Trust.

The Compensation and Governance Committee is granted unrestricted access to information about the Trust that is necessary or desirable to fulfill its duties and all trustees, officers and employees are directed to cooperate as requested by its members. The Compensation and Governance Committee has the authority to retain, at the Trust's expense, independent compensation consultants or other advisors to assist the Compensation and Governance Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the board.

In addition to their experience as members of the Compensation and Governance Committee of the Trust, each of the committee members has direct experience that is relevant to their responsibilities in executive compensation as follows:

(i) Mr. Williams has over 40 years business experience as chief financial officer and president of major public and private companies where his roles included direct or indirect responsibility for the human resources function, including management of compensation and incentive reward programs; as well as recruitment, talent management and succession planning;

(ii) Mr. Harris has over 35 years of experience as a corporate lawyer, including responsibility for negotiating executive compensation contracts for his clients. In addition, Mr. Harris is a member of the executive committee of the Board of Governors of the Canadian Football League ("**CFL**"), which is responsible for the establishment of compensation policies, including salary and annual bonus, for the executives and senior management of the CFL, and previously was a member of the compensation committee of the board of directors of Primetech Electronics Inc. (formerly, a TSX-listed company), as well as interim president of a private company where he was responsible for senior management compensation; and

(iii) Mr. Hawken was, for 15 years, president and chief executive officer of first, a wholly-owned subsidiary of CIBC, and then an invested company of CIBC, where he had direct responsibility to the board of directors of each those companies for establishing all compensation policies, including for all executive and senior management. In addition, Mr. Hawken is a member of the compensation and governance committee of Danier Leather Inc., a TSX-listed company.

Each of the members of the Compensation and Governance Committee has served in this capacity for over ten (10) years and as part of this role, has had access to relevant information regarding compensation governance and applicable market practices, including access to compensation consultants and other experts from time to time, to give them the tools required to make decisions relating to the suitability of the Trust's compensation policies and practices.

Compensation Policy/Objectives of the Trust's Executive Compensation Program

The Compensation and Governance Committee from time to time retains and receives the benefit of the advice of independent and qualified executive compensation consultants in connection with its negotiation of the Executive Contracts.

The executive compensation programs (as more fully described below), in the Compensation and Governance Committee's view, provide executives with an appropriate and competitively balanced mix of guaranteed cash (base salary), and performance-based (short-term cash-based and long-term equity-based) incentive compensation. The Trust's compensation programs are designed to attract, retain and motivate highly qualified executive officers, while at the same time promoting a greater alignment of interests between such executive officers and the Trust's Unitholders.

Short and long-term incentive awards are determined by the achievement of annual specified performance objectives and the ability of the Trust to meet targeted annual performance levels established for each financial year. These incentive awards are paid in cash or, if the NEO is eligible and elects to participate in the long-term equity incentive compensation plans of the Trust, a combination of both.

The following discussion of executive compensation pertains to the NEOs.

Elements of Executive Compensation

The elements of executive compensation and their associated reward structure are described in the table below:

Compensation Element	How it is Paid	What it is Designed to Reward
Base Salary	Cash	• Determined by assessment of the executive's performance • Rewards skills, knowledge and experience • Reflects the level of responsibility and the expected contribution of the executive
Annual Incentive (Bonus)	Cash (following financial year end)	• Rewards financial and strategic achievement as set out in the Trust's annual business plan • Rewards individual contribution to the Trust's overall performance • Award is based on how the Trust and the executive performed against pre-determined objectives
RUR Plan	RURs exercisable for Trust Units upon vesting	• Rewards contribution to the long-term performance of the Trust • Aligns participants' interests with Unitholders and provides additional incentive for participants to increase Unitholder value by increasing long-term equity participation • Award is based on how the Trust and the respective participant performed against pre-determined objectives
LTIP(1)	Trust Units (instalment receipts)	• Rewards contribution to the long-term performance of the Trust • Aligns participants' interests with Unitholders and provides additional incentive for participants to increase Unitholder value by increasing long-term equity participation • Award is based on how the Trust and each respective participant performed against pre- determined objectives
SELTIP(1)	Trust Units (instalment receipts)	• Rewards selected senior executive's (currently only the President and Chief Executive Officer participates) contribution to the long-term performance of the Trust • Aligns participants' interests with Unitholders and provides additional incentive for participants to increase Unitholder value by increasing long-term equity participation

Compensation Element	How it is Paid	What it is Designed to Reward
		• Encourages the retention of the selected participants • Award is based on how the Trust and each respective participant performed against pre-determined objectives
Unit Option Plan(1)	Options to Acquire Units at a set price	• Rewards contribution to the long-term performance of the Trust • Aligns participants' interests with Unitholders and provides additional incentive for participants to increase Unitholder value by increasing long-term equity participation • Award is based on how the Trust and each respective participant performed against pre- determined objectives
Other Elements of Compensation		
Executive RRSP	Cash	• Executive RRSP (excluding President and Chief Executive Officer who does not participate) • Discretionary award equal to a maximum of 5% of the respective executive's base salary, subject to RRSP limits • Award is intended to provide a portion of the respective executive's retirement savings
Perquisites	Cash	• Automobile allowance • Other health benefits consistent with those of all other employees and comparable to peer organizations
EUPP	Units	• A participant is entitled to acquire a number of Units up to a maximum of 5% of his or her respective annual salary through payroll deductions • Participants receive an additional amount equal to 10% of the Units purchased pursuant to the EUPP, which amount is automatically paid in the form of additional Units at the time of purchase of Units

Note:

(1) In connection with the adoption of the RUR Plan in 2010 and amendments to the EUPP permitting participation by the President and Chief Executive Officer and the Chief Financial Officer, the trustees suspended the granting of additional awards under the LTIP and the SELTIP. No LTIP or SELTIP awards were granted in respect of the 2011 financial year. Since 2002, no options have been awarded under the Unit Option Plan other than pursuant to the President and Chief Executive Officer's employment agreement. The trustees' current policy is not to award any options under the Unit Option Plan, subject to the terms of the President and Chief Executive Officer's employment agreement (See "Significant Terms of Executive Employment Agreements").

Unit Ownership Requirement

As part of the Trust's objective to align the interests of trustees and senior executives of the Trust with Unitholders, in November, 2006, the board of trustees instituted a requirement that all trustees, including the President and Chief Executive Officer of the Trust, acquire, over a maximum period of three (3) years, such number of Units (which may include Deferred Units and RURs) having a value equal to three (3) times his annual compensation. The President and Chief Executive Officer and the current trustees of the Trust have met or exceeded this ownership requirement.

While executive officers of the Trust, other than the President and Chief Executive Officer, are not subject to these requirements, to further align the interests of management of the Trust with those of Unitholders, the Trust strongly encourages its officers and employees to invest in the Trust on a go forward basis.

The following table summarizes the number of Units and RURs beneficially owned, or controlled or directed, directly or indirectly, as of April 2, 2012, by each senior officer of the Trust, the dollar value of such interests and the percentage of such interests as a percentage of the Trust's issued and outstanding Units.

Name of Executive Officer	**Number of Units and RURs(1) Beneficially Owned, or Controlled or Directed, Directly or Indirectly(2)**	**Dollar Value of Units and RURs(1) Beneficially Owned, or Controlled or Directed, Directly or Indirectly(3) ($)**	**Units and RURs(1) Beneficially Owned, or Controlled or Directed, Directly or Indirectly, as a Percentage of Outstanding Units(4) (%)**
THOMAS SCHWARTZ President and Chief Executive Officer	2,512,466	57,384,723	2.93
SCOTT CRYER Chief Financial Officer	7,314	167,052	0.01
MARK KENNEY Chief Operating Officer	310,294	7,087,115	0.36
MARIA AMARAL Chief Accounting Officer	231,508	5,287,643	0.27
TOTAL	3,061,582	69,926,533	3.57

Notes:

(1) RURs vest on the third anniversary of the grant date.

(2) Individual executive officers have furnished information as to Units and RURs beneficially owned, or controlled or directed, directly or indirectly, by them. The number of Units includes LTIP and SELTIP Units, as applicable. In addition, Mr. Schwartz and Ms. Amaral hold 452,250 and 40,000 options, respectively.

(3) Dollar amounts represent the estimated market value of Units and RURs beneficially owned, or controlled or directed, directly or indirectly by each executive officer, as determined by multiplying the number of Units beneficially owned, or controlled or directed, directly or indirectly, by such executive officer as of April 2, 2012 by the closing price of the Units on the TSX on such date. See "Indebtedness of Trustees and Executive Officers" for loan amounts outstanding on LTIP and SELTIP Units.

(4) Percentages represent, as a percentage of the issued and outstanding Units (including Special Voting Units) of the Trust, the number of Units and RURs beneficially owned, or controlled or directed, directly or indirectly, by each executive officer.

Targeted Pay Positioning and Mix

The Trust's compensation philosophy is to position executive pay at the median of the executive compensation benchmark for average performance. The incentive programs are designed to allow for executives to be compensated between the 50th and 75th percentile of the benchmark organizations for superior performance.

The Trust's executive compensation mix (the proportion of base salary, short and long-term incentive awards) is designed to reflect the relative impact of the executive's role on the Trust's performance and considers how the compensation mix aligns with long-term Unitholder value creation.

In determining the target mix of compensation, the Compensation and Governance Committee considered market compensation data prepared by its compensation consultant to ensure that the Trust's NEO compensation mix is competitive with comparator organizations and appropriate in light of the Trust's business strategy.

Annual Performance Awards

The maximum annual incentive compensation (bonus) level for the President and Chief Executive Officer and Chief Operating Officer is one hundred percent (100%) of base salary. The maximum annual incentive compensation level for the Chief Financial Officer and Chief Accounting Officer is seventy-five percent (75%) of base salary.

In light of the achievements of the Trust as set out in the section entitled "Year In Review/Executive Summary" and the strong executive performance reviews (in which executives achieved their individual functional and departmental objectives) the Trust paid out annual incentives to the NEOs.

Annual incentive compensation for all NEOs for the 2011 financial year was determined based upon seventy percent (70%) quantitative and thirty percent (30%) qualitative measures as follows.

Performance Measurement Category	**Specific Measures**
Quantitative - Corporate (Financial) (70%)	• NFFO per Unit
Qualitative (30%)	• Compensation and Governance Committee/President and Chief Executive Officer assessment • Departmental objectives

The quantitative component for all NEOs' compensation is based on the financial performance of the Trust, as measured by NFFO per Unit achieved against a pre-determined target.

For the year ended 2011, the Compensation and Governance Committee set the NFFO per Unit threshold achievement level equal to $1.28. The executive bonus potential linked to the threshold level of performance was forty percent (40%) of the maximum corporate incentive component. The Compensation and Governance Committee applied a linear payout curve to the corporate incentive component of the annual bonus potential for all NEOs, increasing such payment by fifteen percent (15%) for each additional $0.01 increase in NFFO per Unit such that the maximum (one hundred percent (100%)) payment being payable where NFFO per Unit equaled $1.32. For the year ended 2011, the Trust achieved NFFO per Unit equal to $1.36, translating into a corporate incentive component equal to one hundred percent (100%) of the maximum achievable amount.

The Trust calculates NFFO by excluding from Funds From Operations certain non-recurring items, including changes in fair value of hedging instruments, amortization of losses on certain hedging instruments, and losses incurred on the amendment of natural gas contracts, in order to facilitate better comparability to the prior year. NFFO is a non-IFRS measure which the Trust believes is a relevant evaluator of its operating performance and the primary indicator with respect to the sustainability of its distributions. In calculating NFFO, the Trust does not include gains resulting from the sale of investment properties of the Trust.

The qualitative component for all NEOs is based on performance against specific objectives established for each of the NEOs, based on the President and Chief Executive Officer's recommendations and subject to the trustees' approval. The Compensation and Governance Committee has determined that the President and Chief Executive Officer's qualitative performance should be strongly oriented towards increasing NFFO**.** The following qualitative criteria were used to determine the short-term incentive for the President and Chief Executive Officer for the 2011 financial year: attracting and retaining an experienced and motivated senior management team with suitable skills to achieve the Trust's long-term goals; developing and growing new sources of ancillary revenues; and executing strategic acquisitions and dispositions to enhance and reposition the Trust's portfolio. The qualitative criteria used to determine the short-term incentives for the other NEOs were satisfied.

The Compensation and Governance Committee arrives at a formulaic award for each NEO (representing the maximum payout) using the additive short-term incentive formula (Corporate (Financial) + Qualitative) and then may, in consultation with the President and Chief Executive Officer, use its discretion to increase or decrease the payout for certain NEOs, as deemed appropriate. For the 2011 financial year, such discretion was not applied.

Long-Term Incentive Awards

Long-term incentive awards for NEOs are granted annually at the discretion of the Compensation and Governance Committee, which determines the individual award based on the NEOs' annual performance and the achievement of the Trust's annual specified performance levels established by the Compensation and Governance Committee, and are governed by the terms of their Executive Contracts. Please refer to the section entitled "Significant Terms of Executive Employment Agreements" for the details of the NEO long-term incentive award arrangements.

With regard to long-term compensation awards made in respect of the year ended 2011, grants of RURs were awarded based on the financial performance of the Trust, as measured by NFFO per Unit achieved against a pre-determined target. For the year ended 2011, the Compensation and Governance Committee established the NFFO Unit threshold achievement level equal to $1.29 ($0.01 higher than the threshold NFFO per Unit to achieve the minimum threshold for an annual bonus compensation incentive award) for an award equal to forty percent (40%) of the NEOs' maximum annual incentive compensation. The Compensation and Governance Committee applied a linear payout curve to the long-term incentive compensation awards under the RUR Plan to NEOs, increasing such awards by fifteen percent (15%) for each additional $0.01 increase in NFFO such that the maximum (one hundred percent (100%)) award would be granted where NFFO per Unit equalled $1.33. As the Trust achieved NFFO per Unit in 2011 of $1.36, NEOs were awarded RURs equal to one hundred percent (100%) of their maximum incentive compensation.

The table below shows all RURs granted to the NEOs in respect of the 2011 financial year.

Name	Number of RURs	Total Value(1)	Last Day of Grant Period
THOMAS SCHWARTZ President and Chief Executive Officer	30,845	$690,000	February 28, 2015
RICHARD J. SMITH Former Chief Financial Officer	–	–	–
SCOTT CRYER Chief Financial Officer	5,169	$115,625	February 28, 2015
MARK KENNEY Chief Operating Officer	14,305	$320,000	February 28, 2015
MARIA AMARAL Chief Accounting Officer	8,382	$187,500	February 28, 2015

Note:

(1) Based on a per Unit price of $22.37 determined in accordance with the RUR Plan. Amounts are rounded to the nearest whole RUR.

Senior Executive Compensation Claw-Back Policy

In February, 2012, the board of trustees adopted a senior executive compensation claw-back policy for awards made under the Trust's annual incentive compensation and RUR Plan. Under this policy, which applies to the NEOs (with the exception of Mr. Cryer), the board of trustees may, pursuant to an agreement with the NEO, require reimbursement of all or a portion of the annual incentive compensation and compensation received under the RUR Plan by the executive(s) in situations where:

- the amount of incentive compensation received by the executive officer was calculated based upon, or contingent on, the achievement of certain financial results that were subsequently the subject of or affected by a restatement of all or a portion of the Trust's financial statements;
- the executive officer engaged in gross negligence, intentional misconduct or fraud that caused or partially caused the need for the restatement; and
- the incentive compensation payment received would have been lower had the financial results been properly reported.

Each NEO, other than Mr. Cryer, is bound by the senior executive compensation claw-back policy based on the terms of their respective Executive Contract, which are further described below. See "Significant Terms of Executive Employment Agreements for all NEOs".

New Actions/Decisions or Policies

The Trust did not make any new actions, decisions or policies after the recently completed fiscal year that could affect the understanding of the NEOs' compensation for the most recently completed fiscal year. The Trust does not intend on making any significant changes to its compensation policies and practices in the next financial year. However, the Trust does intend to engage an external compensation consultant in the fall of 2012 to assist in evaluating the Trust's compensation policies.

Risk Analysis

The Compensation and Governance Committee provides oversight of, and makes recommendations to the board with respect to, risk management and mitigation in connection with its review and approval of the Trust's compensation policies and practices. On an annual basis or more frequently as required, the Compensation and Governance Committee, in conjunction with the board of trustees reviews the Trust's compensation policies and practices to determine whether they may encourage excessive or inappropriate risk. The trustees discuss risks associated with short-term decisions that may be made by the NEOs and the possibility of such decisions having an effect on results which inform the performance-based elements of NEO compensation. The trustees established compensation practices which mitigate such risks by: (i) benchmarking performance-based compensation against NFFO, as it adjusts for non-recurring or unusual items that can affect short-term results, and is a better indicator of the Trust's long-term financial condition; (ii) tying both the short-term incentive (cash) bonus and long-term incentive (equity) bonus, to the Trust's performance (as to up to 70% of an NEO's incentive compensation) and to the NEO's individual performance (as to up to 30% of the NEO's incentive compensation); (iii) by placing minimum thresholds on the Trust's performance in order for an NEO to receive an incentive bonus; (iv) by capping the maximum amount of incentive bonus an NEO may receive; and (v) by adopting the claw-back policy (described above) for the NEO's who have executive contracts.

In considering the implications of the risks associated with the Trust's compensation policies and practices, the Compensation and Governance Committee has not identified risks arising from the Trust's compensation policies and practices that are reasonably likely to have a material adverse effect on the Trust.

The NEOs and trustees of the Trust are not formally prohibited from purchasing financial instruments designed to hedge or offset a decrease in the market value of Units, including Units granted as or underlying Unit-based compensation or otherwise held directly or indirectly by an NEO or a trustee. In the view of the Compensation and Governance Committee, the structure and nature of trustees and executive compensation, including the manner in which Unit-based awards are granted, vested and paid-out under our LTIP and SELTIP plans, is designed to reduce the need to hedge or offset any potential decrease in the price of our Units and is adequate to ensure that the interests of the trustees and NEOs are adequately aligned with those of the Trust generally.

Executive Compensation Benchmark Analysis

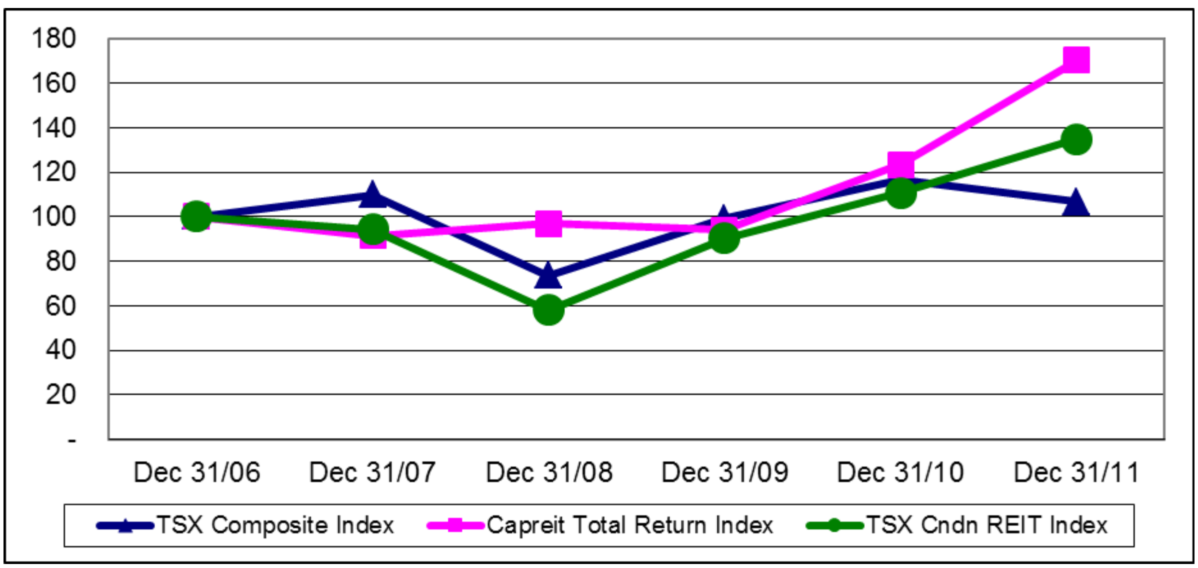
In 2009, Mercer (Canada) Limited ("**Mercer**") was engaged by the Compensation and Governance Committee to provide advice and counsel on executive compensation matters, including validation of the prior (2008) executive compensation comparator group, to conduct compensation benchmark analysis and to provide a brief review of the Trust's total Unitholder return relative to the 2009 executive and trustee compensation comparator group. At that time, Mercer proposed, and the Compensation and Governance Committee approved, the following set of organizations from which to benchmark the Trust's executive compensation levels. Such set of organizations is composed of thirteen (13) Canadian publicly-traded real estate investment trusts and real estate management and development organizations. Organizations were included in the benchmark group in consideration of various factors, including the following selection criteria: industry relevance, annual revenues, total assets, and market capitalization. Based on these selection criteria, the Trust deems each organization included in the benchmark group to carry on business operations comparable to the Trust and thus views the compensation polices of such organizations relevant for consideration.

- Boardwalk REIT
- Canadian REIT
- Calloway REIT
- Chartwell Seniors Housing REIT
- Cominar REIT
- Dundee REIT
- First Capital Realty Inc.
- H&R REIT
- InnVest REIT
- Morguard Corp.
- Morguard REIT
- Melcor Development Ltd.
- RioCan REIT

One of the principal changes stemming from the Mercer analysis was the introduction of the RUR Plan as the primary plan through which long-term incentive compensation will be awarded to senior and executive management, and the decision to phase out reliance on the LTIP and SELTIP. The results of the Mercer engagement and the benchmarking that was applied were used to determine the overall composition of total executive compensation, setting levels for base salary and performance-based (both short-term cash and long-term equity-based) incentive compensation, in consideration of balancing executive compensation in favour of greater alignment with Unitholder returns. The Trust does not determine performance-based incentive compensation based on how the Trust performed relative to its peer group on an annual basis.

Performance Graph

The following graph compares the total cumulative Unitholder return for $100 invested in Units on December 31, 2006, with the cumulative total return of the TSX Composite Index and the TSX Canadian REIT Index during the five (5) most recently completed financial years of the Trust.



Compensation for the Trust's NEOs is not linked directly to Total Shareholders Return ("**TSR**"), and as such does not necessarily move in line with relative TSR performance. In addition, TSR performance does not always adequately reflect the Trust's investment or operating strategy or the achievement by the Trust of its objectives, which include a strong balance sheet; maintaining sustainable and predictable distributions to Unitholders; a conservative financing strategy; and a long-term approach to real estate investment. It is the view of the Trust that compensation delivered to the NEOs versus performance, as measured by NFFO, is a more meaningful illustration of the Trust's pay for performance policy. As a result, the Trust's NEO compensation is heavily linked to the success of the Trust's generation of NFFO for Unitholders.

SUMMARY COMPENSATION TABLE

The following table sets forth a summary of the compensation earned by each NEO of the Trust in 2011. For comparison purposes, the compensation information from 2009 and 2010 for each NEO set out below in the summary compensation table.

Name and Principal Position	Year	Salary ($)	Unit-based Awards ($)	Option-based Awards ($)	Non-equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
					Annual Incentive Plans ($)	Long-Term Incentive Plans ($)			
THOMAS SCHWARTZ[1] President and Chief Executive Officer	2011	690,000	690,000[7]	481,227[11]	690,000[13]	-	-	-	2,551,227
	2010	670,000	670,000[8]	234,840[12]	670,000[14]	-	-	-	2,244,840
	2009	650,000	479,692[9]	-	513,500[15]	-	-	-	1,643,192
RICHARD J. SMITH[2] Former Chief Financial Officer	2011[5]	122,480	-	-	112,625[13]	-	-	1,262,617[16]	1,497,722
	2010	258,000	258,000[8]	-	258,000[14]	-	-	37,688[17]	811,688
	2009[6]	55,769	35,000[10]	-	49,375[15]	-	-	5,627[18]	145,771
SCOTT CRYER [3] Chief Financial Officer	2011	200,769	115,625[7]	-	105,625[13]	-	-	-	422,019
	2010	180,000	20,000[8]	-	50,000[14]	-	-	-	250,000
	2009	45,000	-	-	12,000[15]	-	-	-	57,000
MARK KENNEY Chief Operating Officer	2011	320,000	320,000[7]	-	320,000[13]	-	-	41,358[16]	1,001,358
	2010	309,000	309,000[8]	-	309,000[14]	-	-	40,810[17]	967,810
	2009	300,000	165,000[10]	-	237,000[15]	-	-	41,116[18]	743,116
MARIA AMARAL[4] Chief Accounting Officer	2011	250,000	187,500[7]	-	187,500[13]	-	-	37,438[16]	662,438
	2010	242,000	181,500[8]	-	181,500[14]	-	-	36,429[17]	641,429
	2009	235,000	97,000[10]	-	139,238[15]	-	-	37,137[18]	508,375

Notes:

(1) Mr. Schwartz is President and Chief Executive Officer of the Trust and a trustee. Mr. Schwartz does not receive compensation for his services as trustee.

(2) Mr. Smith, former Chief Financial Officer of the Trust, resigned in June, 2011 and, thus, did not serve as NEO for part of the 2011 financial year.

(3) Mr. Cryer was appointed Chief Financial Officer of the Trust in June, 2011. Prior to that, he held the position of Vice President, Financial Reporting.

(4) Ms. Amaral was appointed Chief Accounting Officer of the Trust in June, 2011. Prior to that, she held the position of Senior Vice President, Finance.

(5) The annualized compensation for Mr. Smith (including RURs) would have been $833,000 had he served as NEO for the entire 2011 financial year.

(6) The annualized compensation for Mr. Smith, who was appointed Chief Financial Officer in September, 2009 and, thus, did not serve as NEO for part of the 2009 financial year, would have been $585,000.

(7) Represents 30,845 RURs issued to Mr. Schwartz; 5,169 RURs issued to Mr. Cryer; 14,305 RURs issued to Mr. Kenney; and 8,382 RURs issued to Ms. Amaral; in each case on February 28, 2012. In accordance with the RUR Plan, the grant date fair value of the Units is based on the weighted average price of the Units on the TSX for the five trading days prior to grant of $22.37. The accounting fair value for financial statement purposes is determined based on the closing price of the Units on the TSX on the date of grant of $22.95.

(8) Represents 36,472 RURs issued to Mr. Schwartz; 14,045 RURs issued to Mr. Smith; 1,089 RURs issued to Mr. Cryer; 16,821 RURs issued to Mr. Kenney; and 9,880 RURs issued to Ms. Amaral; in each case on February 22, 2011. In accordance with the RUR Plan, the grant date fair value of the Units is based on the weighted average price of the Units on the TSX for the five trading days prior to grant of $18.37. The accounting fair value for financial statement purposes is determined based on the closing price of the Units on the TSX on the date of grant of $18.80.

(9) Represents 70,683 Units were issued on November 19, 2009 to Mr. Schwartz under the LTIP pursuant to his exercise of his Entitlement (as hereinafter defined) to purchase Units under the terms of his employment contract with the Trust (see "Significant Terms of Executive Employment Agreements"). The amount represents the grant date fair value of the Units incorporating (i) the Black-Scholes option pricing model to value the non-recourse nature of the related loan, as this value measure is the most commonly used model for such valuation, and (ii) the present value of the below-market interest rate payable on such loan together with the tax-deferral benefit of the LTIP Units, as this value measure was validated by an independent third party valuator as an appropriate methodology. The LTIP Units were fully vested on the second anniversary of the grant date. Monthly distributions received on LTIP Units are applied towards the payment of interest and remaining instalments. Key assumptions used in the Black-Scholes valuation were a distribution yield of 7.94%, a risk-free rate of 3.78%, a volatility of 19.00%, a three-year vesting period and a ten-year term. See "Indebtedness of Trustees and Executive Officers" for amounts outstanding on these LTIP Units. Also includes 25,408 RURs issued to Mr. Schwartz on February 24, 2010. In accordance with the RUR Plan, the grant date fair value of the Units is based on the weighted average price of the Units on the TSX for the five trading days prior to the grant of $14.09. The accounting fair value for financial statement purposes is determined based on the closing price of the Units on the TSX on the date of grant of $13.97.

(10) Represents 2,484 RURs issued to Mr. Smith; 11,710 RURs issued to Mr. Kenney; and 6,884 RURs issued to Ms. Amaral; in each case on February 24, 2010. In accordance with the RUR Plan, the grant date fair value of the Units is based on the weighted average price of the Units on the TSX for the five trading days prior to the grant of $14.09. The accounting fair value for financial statement purposes is determined based on the closing price of the Units on the TSX on the date of the grant issuance of $13.97.

(11) On October 31, 2011 in connection with an equity offering, 224,250 options were granted at an exercise price of $20.30. The options mature on October 31, 2021. The amount represents the grant date fair value of the options using the Black-Scholes option pricing model. Key assumptions used in the valuation were a distribution yield of 5.34%, a risk-free rate of 2.28%, and a volatility of 22.77%. The options vested immediately on grant date. The Black-Sholes model is used as the most commonly used valuation methodology by options market participants.

(12) On December 10, 2010 in connection with an equity offering, 217,500 options were granted at an exercise price of $17.30 and on December 23, 2010 in connection with the exercise of the over-allotment option, a further 10,500 options were granted at an exercise price of $17.30. The options mature on December 9 and December 22, 2020, respectively. The amount represents the grant date fair value of the options using the Black-Scholes option pricing model. Key assumptions used in the valuation were a distribution yield of 6.24%, a risk-free rate of 3.08%, and a volatility of 17.41%. The options vested immediately on grant date. The Black-Sholes model is used as the most commonly used valuation methodology by options market participants.

(13) This bonus was earned in respect of the 2011 financial year and paid in March, 2012.

(14) This bonus was earned in respect of the 2010 financial year and paid in February, 2011.

(15) This bonus was earned in respect of the 2009 financial year and paid in February, 2010 for Mr. Cryer, and March, 2010 for the other NEOs.

(16) Represents a payment made to Mr. Smith in connection with his departure in June, 2012; total value of perquisites including car allowance of $18,000 and Executive RRSP contribution of $16,000 for Mr. Kenney and $12,500 for Ms. Amaral. This includes the taxable portion of the additional Units received by each NEO, as applicable, from the Trust pursuant to the 10% match under the EUPP, which amount for 2011 was immaterial.

(17) Represents total value of perquisites including car allowance of $18,000 and Executive RRSP contribution of $12,900 for Mr. Smith, $15,450 for Mr. Kenney and $12,100 for Ms. Amaral. This includes the taxable portion of the additional Units received by each NEO, as applicable, from the Trust pursuant to the 10% match under the EUPP, which amount for 2010 was immaterial.

(18) Represents total value of perquisites including car allowance of $4,568 for Mr. Smith. Represents total value of perquisites including car allowance of $18,000 and Executive RRSP contribution of $15,000 for Mr. Kenney and $11,750 for Ms. Amaral.

Narrative Discussion

Significant Terms of Executive Employment Agreements for all NEOs

The Executive Contracts for Messrs. Schwartz, Smith, Kenney and Ms. Amaral provide for annual review of base salaries. All capitalized terms used in this section and not otherwise defined shall have the meanings ascribed thereto in the Executive Contracts.

Long-term incentive awards for NEOs are governed by the terms of their Executive Contracts. Under his original Executive Contract dated January 1, 2005, Mr. Schwartz was entitled, subject to the trustees' approval, to purchase up to 500,000 Units (increased by three percent (3%) multiplied by the number of new Units issued by the Trust from time to time) (the "**Entitlement**") pursuant to the LTIP during the period from January 1, 2005 until the fifth anniversary thereof. Mr. Schwartz was entitled to exercise all or any part of the Entitlement at any time or times from the January 1, 2005 (the "**Commencement Date**") until the earliest to occur of: (a) a notice of non-extension being delivered pursuant to his Executive Contract; (b) a notice being delivered pursuant to the termination provisions of his Executive Contract; and (c) the Trust electing to terminate his Executive Contract upon his disability, pursuant to his Executive Contract. For the year ended December 31, 2009, Mr. Schwartz was entitled to purchase 100,683 Units. In September 2009, the Compensation and Governance Committee approved the transfer by Mr. Schwartz of a portion of his Entitlement to purchase 30,000 Units to Mr. Yazdi Bharucha, the former Chief Financial Officer. On November 19, 2009, Mr. Schwartz purchased 70,683 Units and Mr. Bharucha purchased 30,000 Units, collectively representing the balance of the Units Mr. Schwartz was entitled to purchase pursuant the Entitlement. As a result, the Trust's obligation to Mr. Schwartz in connection with the Entitlement has been fully satisfied.

In February 2010, Mr. Schwartz's Executive Contract was amended to provide that during its term, Mr. Schwartz will be awarded options to acquire three percent (3%) of the number of Units issued by the Trust pursuant to any equity offering or acquisition transaction (not including pursuant to any compensation arrangements) at the Market Price (as defined in the Unit Option Plan) of the Units at the time of completion of each such treasury issuance, in accordance with the terms of the Unit Option Plan, as amended from time to time. In connection with the completion of an equity offering by the Trust on October 31, 2011, pursuant to which 7,475,000 Units were issued, including the exercise of the related over-allotment option, Mr. Schwartz was issued options to acquire a total of 224,250 Units (representing, in the aggregate, approximately 0.26% of the number of outstanding Units as of such date).

The Compensation and Governance Committee bases its determinations with respect to bonus entitlements and eligibility under the Trust's long-term incentive plans on the achievement of targeted annual performance levels. See "Annual Performance Awards" and "Elements of Executive Compensation".

Each of the Executive Contracts are for a one (1) year term with the exception of Mr. Smith's Executive Contract, which had an initial term of approximately three (3) years, with one (1) year automatic renewals and could be terminated by the Trust at any time for cause or by the executive upon six (6) months' prior notice.

In addition, the Trust may terminate an Executive Contract without cause by giving written notice to such effect to the executive. During the period from the date of notice to the earlier of: (i) six (6) months and (ii) the expiry of the term of the Executive Contract, the executive shall receive an amount equal to the base salary paid to the executive in respect of the previous twelve (12) months, plus the average annual bonus awarded to the executive in respect of the two (2) calendar years preceding the date of notice (pro-rated to take into account partial periods). In addition, at the earlier of: (i) six (6) months and (ii) the expiry of the term of the Executive Contract, the executive shall receive a lump sum payment equal to the base salary and bonus which would have been paid if the notice period had been thirty (30) months, less the amounts actually paid during the notice period.

In lieu of such notice, the Trust can elect to immediately terminate the Executive Contract upon payment to the executive of a lump sum equal to the total of the payments required to be paid upon termination with notice, as described above. At the option of the executive, any lump sum payment payable may be paid in instalments until the full amount is paid. The executive will also continue to receive benefits for a period of thirty (30) months from the date of termination, less the length of the notice period (or payment of an amount equal to the costs of replacing such benefits).

As well, in the event of a "change of control" of the Trust, each executive has the election of terminating his respective Executive Contract on thirty (30) days' notice for good reason (as defined in the Executive Contract) or, during the thirty (30) days after the first anniversary of the executive becoming aware of the change of control, for any reason; and, in either such event, is entitled to receive an amount equal to three (3) times the sum of: (i) base salary paid to the executive during the previous twelve (12) months, plus (ii) the average bonus awarded to the executive in respect of the previous two (2) years, and maintenance of benefits for a period of thirty-six (36) months from the date of termination. A "change of control" is broadly defined to contemplate the circumstances where a person or group of persons acting jointly or in concert acquire beneficial ownership or control of more than fifty percent (50%) of the outstanding Units or votes attaching thereto and includes the acquisition by a person or group of persons acting jointly or in concert of all or substantially all of the assets of the Trust or its subsidiaries.

Each of the Executive Contracts provides that if the term thereof would otherwise have expired prior to thirty (30) days after the first anniversary of the executive becoming aware of the change of control, such Executive Contract is automatically extended to such date.

Mr. Schwartz's Executive Contract provides that, in the event of a change of control transaction, if securities of the Trust or another entity, the securities of which are listed for trading on the TSX, can be utilized in a plan (a "**Replacement Plan**"), the intention of such Replacement Plan being to provide Mr. Schwartz with substantially equivalent benefits to those in effect or intended to be in effect under the SELTIP prior to the change of control transaction, then the Trust or other entity may implement such a Replacement Plan (subject to agreement among the relevant parties). If the implementation of a Replacement Plan is not possible, prior to the closing of a change of control transaction, the Trust will purchase a fully paid up annuity from a recognized and credit-worthy Canadian Life insurer in order to provide Mr. Schwartz with substantially equivalent benefits to those in effect or intended to be in effect under the SELTIP. The annuity would be sufficient to provide an annual pre-tax benefit to Mr. Schwartz equal to the amount (the "**Change of Control Annual Benefit**"), if any, calculated by subtracting: (i) the "Available Yield" Mr. Schwartz would receive from the sale or redemption proceeds of his Units underlying his entitlements under the SELTIP (all of which shall automatically vest upon a change of control transaction in accordance with the terms of the SELTIP), after repaying any amounts owing under such plans in respect of instalment receipts, where the "Available Yield" amount is based on, among other things, the average yield for real estate investment trusts investing primarily in multi-unit residential properties and certain income tax assumptions, from (ii) $300,000. As an alternative to the foregoing annuity, the Trust may elect not to purchase the annuity but to provide the Change of Control Annual Benefit in another manner that is more favourable to the Trust from an income tax or other perspective, so long as the net after tax benefits to Mr. Schwartz, and the security for such benefits, are no less favourable to Mr. Schwartz than the Change of Control Annual Benefit he would receive pursuant to a purchased annuity (as described above). Regardless of manner, following a change of control transaction, payments of the Change of Control Annual Benefit would commence on July 5, 2017 and continue until the death of Mr. Schwartz.

Each of the aforementioned Executive Contracts contains certain customary non-competition, non-solicitation and confidentiality provisions in favour of the Trust.

The Executive Contract for Mr. Cryer provides for an annual base salary. The Executive Contract for Mr. Cryer provides that he may be entitled to an annual discretionary performance bonus and to participate in the RUR Plan. The Compensation and Governance Committee bases its determinations with respect to bonus entitlements and eligibility under the Trust's RUR Plan on the achievement of targeted annual performance levels. See "Annual Performance Awards" and "Elements of Executive Compensation".

Mr. Cryer is also entitled to participate in the EUPP and Executive Registered Retirement Savings Plan.

The Executive Contract for Mr. Cryer provides that his employment in the position of Chief Financial Officer will be on a probationary basis for a period of one (1) year commencing June 24, 2011, during which time the trustees may, in their unfettered discretion, re-assign Mr. Cryer to his former position of as Vice President, Financial Reporting, on the same terms of employment that Mr. Cryer had prior to being appointed Chief Financial Officer.

Mr. Cryer's Executive Contract does not include defined termination provisions. As such, in the event of termination, Mr. Cryer's entitlements upon termination would be governed by applicable laws. Mr. Cryer's Executive Contract does not include any change of control provisions.

Executive Registered Retirement Savings Plan

The Trust has established an Executive Registered Retirement Savings Plan (the "**Plan**") for key senior management, excluding the President and Chief Executive Officer. The Plan contributions for the year are equal to five percent (5%) of the executive's base salary, subject to applicable *Income Tax Act* (Canada) limitations. However, there are no guarantees that contributions will be made in any particular year or that any contributions which are made will equal any specific amount. Without limiting the generality of the foregoing, the making of contributions or the level thereof in any given year may depend on the Trust's and/or individual performance in that year.

The Plan is intended to assist participants in generating long-term capital appreciation for the executives' retirement income; it is not designed to provide short-term compensation. Accordingly, in the event that while still employed by the Trust, an executive withdraws any assets from his or her Plan account, the Trust will make no further contributions to the Plan on the executive's behalf. A resumption of Plan contributions on the executive's behalf in such circumstances will only be possible if there is a specific subsequent decision to such effect by the President and Chief Executive Officer of the Trust.

INCENTIVE PLAN AWARDS

Outstanding Unit-based Awards and Option-based Awards

	Option Based Awards				Unit Based Awards		
Name	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised In-The-Money Options[1] ($)**	**Number of Units That Have Not Vested[2] (#)**	**Market or Payout Value of Unit-Based Awards That Have Not Vested[1],[2] ($)**	**Market or Payout Value of Vested Unit-Based Awards Not Paid Out or Distributed[1],[3] ($)**
THOMAS SCHWARTZ President and Chief Executive Officer	217,500 10,500 224,250 452,250	17.30 17.30 20.30	December 9, 2020 December 22, 2020 October 30, 2021	1,089,675 52,605 450,743 1,593,023	66,630	1,486,515	25,107,629
RICHARD J. SMITH Former Chief Financial Officer	-	-	-	-	-	-	-
SCOTT CRYER Chief Financial Officer	-	-	-	-	1,140	25,433	-
MARK KENNEY Chief Operating Officer	-	-	-	-	30,721	685,386	4,523,519
MARIA AMARAL Chief Accounting Officer	40,000	13.25	November 17, 2012	362,400	18,051	402,718	2,565,650

Notes:

(1) Value based on the closing price of Units on the TSX on December 31, 2011.
(2) Represents RURs which vest on the third anniversary of the grant date.
(3) Represents SELTIP and LTIP awards for Mr. Schwartz and LTIP awards for Mr. Kenney and Ms. Amaral. The outstanding loan balances on such awards at December 31, 2011 are $15,710,228, $2,733,191 and $1,598,849 for Mr. Schwartz, Mr. Kenney and Ms. Amaral, respectively.

Incentive Plan Awards — Value Vested or Earned During the Year

Name	**Option-Based Awards - Value Vested During the Year[1] ($)**	**Unit-Based Awards - Value Vested During the Year[2] ($)**	**Non-Equity Incentive Plan Compensation - Value Earned During the Year ($)**
THOMAS SCHWARTZ President and Chief Executive Officer	-	1,706,184	690,000
RICHARD J. SMITH Former Chief Financial Officer	-	150,704[3]	112,625
SCOTT CRYER Chief Financial Officer	-	-	105,625
MARK KENNEY Chief Operating Officer	-	243,600	320,000
MARIA AMARAL Chief Accounting Officer	-	152,250	187,500

Notes:

(1) Value of options issued to Mr. Schwartz is nil as the market price on vesting date of October 31, 2011, was $20.22 which was below the exercise price of $20.30.

(2) Value based on the closing price of Units on the TSX on December 31, 2011. Represents LTIP awards only; the first grant of RURs does not vest until February, 2013. The outstanding loan balances on such LTIP awards are $984,444, $141,142 and 88,213 for Mr. Schwartz, Mr. Kenney and Ms. Amaral, respectively.

(3) Represents RURs which vested upon Mr. Smith's departure.

Narrative Discussion

Equity Based Incentive Plans

The following table provides a brief description of the Trust's RUR Plan, which is its key long-term equity incentive plan. A more fulsome description of each of the Trust's equity incentive plans follows.

Compensation Component[1]	Incentive Type	Applies To	Period	Other Provisions
RUR Plan	RURs exercisable for Units upon vesting.	Officers and employees of the Trust as well as any affiliate (as such term is defined in the *Securities Act* (Ontario)) of the Trust that may be designated.	Subject to certain exceptions, RURs (and Distribution RURs (as defined below)) vest in the entirety on the third anniversary of each grant date. Participants may be entitled to defer settlement of vested RURs (and Distribution RURs). Unvested RURs and Distribution RURs accrued thereon are forfeited in the event of termination for cause.	On each distribution date, the Trust accumulates and accrues for the benefit of participants such number of Distribution RURs economically equivalent to the aggregate value of the distribution that the participant would have received had the participant held the Units represented by all such RURs and Distribution RURs at the distribution date. If a participant ceases to be employed by reason of retirement or termination without cause on a date prior to vesting such unvested RURs, and any Distribution RURs credited in respect thereof, shall vest on a *pro rata* basis after the first anniversary of the grant date based on the number of years since the original grant. In the event of death or disability of a participant or if there is a change of control, vesting may be accelerated. The Compensation and Governance Committee retains the discretionary authority to accelerate vesting.

Note:

(1) In connection with the adoption of the RUR Plan in 2010, the trustees suspended the granting of additional awards under the LTIP and the SELTIP. The Trust adopted a Unit Option Plan. However, the trustees' current policy is not to make any further incentive compensation awards under this plan, except as provided for pursuant to the President and Chief Executive Officer's employment agreement (see "Significant Terms of Executive Employment Agreements").

Description of Equity Based Incentive Plans

RUR Plan

The Trust has established the RUR Plan as the primary plan through which long-term incentive compensation will be awarded. The Compensation and Governance Committee of the board of trustees may award RURs, subject to the attainment of specified performance objectives to certain officers and key employees (collectively the "**Participants**"). The purpose of the RUR Plan is to provide its

Participants with additional incentive and to further align the interest of its Participants with Unitholders through the use of RURs which, upon vesting, are exercisable for Units (each RUR is exercisable for one (1) Unit).

Participants are awarded a cash amount under the RUR Plan, which is then converted to RURs based on the volume weighted average price of all Units traded on the TSX for the five (5) immediately preceding trading days.

Under no circumstances shall RURs be considered Units or entitle a participant to any Unitholder rights, including, without limitation, voting rights, distribution entitlements or rights on liquidation.

The maximum number of Units issuable to Insiders (as such term is defined in the RUR Plan) under the RUR Plan, or when combined with any other Unit incentive compensation plans, at any time, may not exceed ten percent (10%) of the Units issued and outstanding. The maximum number of Units which may be issued to Insiders under the RUR Plan, or when combined with any other Unit incentive compensation plans, within any one (1) year period, may not exceed ten percent (10%) of the Units issued and outstanding.

The RURs earn notional distributions in respect of each distribution paid on RURs commencing from the grant date. Such notional distributions are used to calculate additional RURs ("**Distribution RURs**"), which are accrued for the benefit of the Participants. The Distribution RURs are credited to the Participants only when the underlying RURs upon which the Distribution RURs are earned become vested. Subject to certain exceptions, RURs granted under the RUR Plan (and Distribution RURs accrued thereon) vest in their entirety on the third anniversary of each grant date. Unvested RURs (and Distribution RURs accrued thereon) are fully forfeitable unless and until such RURs become vested. If a Participant is terminated for cause or resigns, unvested RURs (and Distribution RURs) accrued thereon will be forfeited.

In the event of a change of control, subject to the terms of any employment agreement, if a participant who is an officer of the Trust is terminated without cause during the two (2) year period following the change of control, vesting of all unvested RURs (and Distribution RURs accrued thereon) is accelerated. In the event of a change of control, if the acquirer does not provide a substituted plan or adopt the RUR Plan, vesting of unvested RURs is accelerated. There is no automatic acceleration of vesting of unvested RURs under the RUR Plan simply arising because of the change of control. A "change of control" is broadly defined to contemplate the circumstances where a person or group of persons acting jointly or in concert acquire beneficial ownership or control of more than fifty percent (50%) of the outstanding Units or votes attaching thereto or of all or substantially all of the assets of the Trust or its subsidiaries, and includes a takeover.

Other than as provided in the RUR Plan, the rights or interests of a Participant under the RUR Plan may not be assigned or transferred in any way, except to the extent that certain rights may pass to a beneficiary or legal representative upon the death of such participant, by will or by the laws of succession and distribution or otherwise required by law.

The trustees may, from time to time, subject to applicable securities laws and requisite regulatory or other approvals, amend, suspend or terminate the RUR Plan, in whole or in part, without Unitholder or participant approval, except in certain circumstances, which are substantially similar to those listed in the LTIP, as described below; except that the RUR Plan further provides that Unitholder approval is required to modify the amendment provision of the RUR Plan itself. The trustees may amend the RUR Plan without Unitholder approval, including but not limited to: (i) amendments of a housekeeping nature; (ii) the addition or change to the vesting provisions of a RUR or the RUR Plan; (iii) a change to the termination provisions of a RUR or the RUR Plan; (iv) amendments to reflect changes to applicable securities law; and (iv) amendments to ensure RURs granted under the RUR Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction to which a participant may from time to time be subject. However, if any such amendment materially adversely affects the rights of a participant with respect to a grant of RURs, that participant's written consent is required.

As at April 2, 2012, 259,349 RURs have been granted under the RUR Plan to Participants; the Units issuable under such grants constitute 0.30% of the Trust's currently outstanding Units.

Units issued under the RUR Plan are included in the 7,000,000 cap on the number of Units issuable under all equity incentive plans of the Trust. Subject to Unitholder approval at the Meeting, the Trust proposes to amend the maximum number of Units issuable under all equity incentive plans from an aggregate of 7,000,000 Units to an aggregate amount equal to, at all times, ten percent (10%) of the number of issued and outstanding Units of the Trust.

Long-Term Incentive Plan

The Trust has established a LTIP, which is available to certain trustees, officers and employees of the Trust. The objective of the LTIP is to encourage increased long-term equity participation in the Trust by such individuals. The Compensation and Governance Committee of the board of trustees may award LTIP Units, subject to the attainment of specified performance objectives to individuals eligible to participate.

No non-executive trustee shall be issued Units under the LTIP which would result in the non-executive trustees collectively holding an aggregate number of Units issued or issuable pursuant to the LITP or any of the Trust's other equity incentive plans (or pursuant to exercise of options granted pursuant to the Trust's Unit Option Plan) of more than one-half percent (0.5%) of the aggregate number of Units, on a non-diluted basis, outstanding from time to time. The maximum aggregate number of LTIP Units reserved for issuance to any one participant must be less than any limit prescribed by any applicable regulatory authority from time to time.

As per the terms of the LTIP, the purchase price of the Units is established on the basis of the weighted average trading price of the Units on the TSX for the five (5) trading days preceding the date of the issue. If LTIP Units are subject to vesting provisions, they will vest, together with any distributions accrued thereon, in accordance with and at such times as set forth in the vesting provisions applicable to such Units.

Participants are required to pay interest at a ten (10) year fixed rate based on the Trust's fixed borrowing rate for long-term mortgage financing (4.48% for awards granted in 2009 and 4.65% for awards granted for 2008), and are required to apply cash distributions received by them on these Units towards the payment of interest and remaining instalments. Participants may pre-pay any remaining instalments at their discretion.

The instalment receipts are non-recourse to the participants and are secured by the Units as well as the distributions on the Units. If a participant fails to pay interest and/or principal, the Trust may elect to re-acquire or sell the pledged Units in satisfaction of the outstanding amounts.

The LTIP provides that upon a change of control, as defined in the LTIP, a participant may elect that the unvested portion of any LTIP Units held by the Custodian, as defined in the LTIP, for the benefit of such participant shall vest immediately. Subject to the foregoing, in connection with a proposed change of control, the board of trustees may (without the consent of participants) take such steps with respect to outstanding LTIP Units and instalment receipts (including, without limitation, accelerating any remaining instalment payments in respect of such LTIP Units) and make such amendments to the LTIP (subject to the limitations contained in amendment provisions) as the board of trustees deems necessary or advisable in connection with the change of control.

In specified circumstances, including death, Disability (as defined in the LTIP) or termination for cause, the payment of all remaining instalments owing shall be accelerated so as to become due and payable, as more fully described in the LTIP. If the employment of a participant is terminated other than (a) for cause, (b) as a result of death or Disability or (c) by the voluntary resignation or retirement of the participant, the payment of all remaining instalments owing shall be accelerated so as to become due and payable on the earlier of (i) 180 calendar days following such termination and (ii) the date on which such payments would otherwise be payable.

The LTIP provides restrictions on a participant's ability to transfer instalment receipts or Units registered in the name of the Custodian. The LTIP can be amended by the board of trustees, in accordance with applicable legislation and subject to any required regulatory approval, without Unitholder approval, except in certain limited circumstances: (i) amendments to increase the number of Units reserved for issuance or a change from a fixed maximum number of Units to a fixed maximum percentage; (ii) amendments to extend eligibility to participate in the LTIP; (iii) amendments to permit the transfer or assignment of rights and interests acquired under the LTIP other than in accordance with the provisions of the LTIP; (iv) amendments that modify the provision of the LTIP relating to the price of Units; and (v) amendments required to be approved by Unitholders under applicable law. Examples of the types of amendments that the trustees could make without Unitholder approval, include, but are not limited to: (i) amendments of a housekeeping nature; (ii) amendments to reflect changes to applicable securities law; and (iii) amendments to ensure LTIP Units granted under the LTIP will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction to which a participant may from time to time be subject.

On August 21, 2007, a total of 672,084 Units originally issued to the Trust's President and Chief Executive Officer and then Chief Financial Officer and Secretary under the LTIP, were transferred to the SELTIP.

As of April 2, 2012, a total of 1,672,927 Units have been issued under the LTIP (representing approximately 1.95% of the issued and outstanding Units at such date). As of April 2, 2012, all issued LTIP Units have vested.

Units issued under the LTIP are included in the 7,000,000 cap on the number of Units issuable under all equity incentive plans of the Trust. Subject to Unitholder approval at the Meeting, the Trust proposes to amend the maximum number of Units issuable under all equity incentive plans from an aggregate of 7,000,000 Units to an aggregate amount equal to, at all times, ten percent (10%) of the number of issued and outstanding Units of the Trust.

Trustees participate in the DUP and, accordingly, the trustees' current policy is not to award LTIP Units to trustees. See "Trustee Compensation - Deferred Unit Plan".

Upon adoption of the RUR Plan by Unitholders in 2010, the trustees' suspended the granting of awards under the LTIP. No LTIP awards were made in respect of the 2011 financial year.

Senior Executive Long-Term Incentive Plan

The Trust has established a SELTIP that is available to the President and Chief Executive Officer and Chief Financial Officer of the Trust and such other persons as the Compensation and Governance Committee of the Trust may from time to time direct. The SELTIP is intended to facilitate long-term ownership of Units by such individuals, to provide them with additional incentives by increasing their interest, as owners, in the Trust, and encourage such individuals to remain with the Trust.

No non-executive trustee shall be issued Units under the SELTIP which would result in the non-executive trustees collectively holding an aggregate number of Units (including Units issuable pursuant to the exercise of options granted pursuant to the Trust's Unit Option Plan) in excess of one-half percent (0.5%) of the aggregate number of Units, on a non-diluted basis, outstanding from time to time. The maximum aggregate number of SELTIP Units reserved for issuance to any one participant must be less than any limit prescribed by any applicable regulatory authority from time to time.

As per the terms of the SELTIP, the purchase price of the Units is established on the basis of the weighted average trading price of the Units on the TSX for the five (5) trading days preceding the date of the issue.

Participants are required to pay interest at a thirty (30) year fixed rate based on the Trust's fixed borrowing rate for long-term mortgage financing (4.96% for awards granted to date) and are required to apply cash distributions received by them on these Units toward the payment of interest and principal instalments until the tenth anniversary of issuance. Following the tenth anniversary, cash distributions shall be applied to pay interest only and any excess shall be distributed to the SELTIP participants. SELTIP participants may pre-pay any remaining instalments at their discretion. The instalment receipts are non-recourse to the participants and are secured by the Units as well as the distributions on the Units. If a participant fails to pay interest and/or principal, the Trust may elect to reacquire or sell the Units in satisfaction of the outstanding amounts.

The SELTIP provides that upon a change of control, as defined in the SELTIP, a participant may elect that the unvested portion of any SELTIP Units held by the Custodian, as defined in the SELTIP, for the benefit of such participant shall vest immediately. Subject to the foregoing, in connection with a proposed change of control, the board of trustees may (without the consent of participants) take such steps with respect to outstanding SELTIP Units and instalment receipts (including, without limitation, accelerating any remaining instalment payments in respect of such SELTIP Units) and make such amendments to the SELTIP (subject to the limitations contained in amendment provisions) as the board of trustees deems necessary or advisable in connection with the change of control.

In specified circumstances, including death, disability or termination for cause, the payment of all remaining instalments owing shall be accelerated so as to become due and payable, as more fully described in the SELTIP. If the employment of a participant is terminated other than (a) for cause, (b) as a result of death or Disability or (c) by the voluntary resignation or retirement of the participant, the payment of all remaining instalments owing shall be accelerated so as to become due and payable on the earlier of (i) 180 calendar days following such termination and (ii) the date on which such payments would otherwise be payable.

The SELTIP provides restrictions on a participant's ability to transfer instalment receipts or Units registered in the name of the Custodian. The SELTIP can be amended by the board of trustees, in accordance with applicable legislation and subject to any required regulatory approval, without Unitholder approval, except in certain limited circumstances, which are substantially similar to those listed in the LTIP, as described above. Examples of the types of amendments that the trustees could make without Unitholder approval, include, but are not limited to: (i) amendments of a housekeeping nature; (ii) amendments to reflect changes to applicable securities law; and (iii) amendments to ensure SELTIP Units granted under the SELTIP will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction to which a participant may from time to time be subject.

As of April 2, 2012, a total of 817,914 Units have been issued under the SELTIP (representing approximately 0.95% of the issued and outstanding Units at such date).

Units issued under the SELTIP are included in the 7,000,000 cap on the number of Units issuable under all equity incentive plans of the Trust. Subject to Unitholder approval at the Meeting, the Trust proposes to amend the maximum number of Units issuable under all equity incentive plans from an aggregate of 7,000,000 Units to an aggregate amount equal to, at all times, ten percent (10%) of the number of issued and outstanding Units of the Trust.

Upon adoption of the RUR Plan in 2010, the trustees suspended the granting of awards under the SELTIP. No awards under the SELTIP were made in respect of the 2011 financial year.

Unit Option Plan

The Trust adopted a Unit Option Plan on May 21, 1997. Participation in the Unit Option Plan is restricted to (i) trustees, officers and employees of the Trust, (ii) persons or companies engaged to provide ongoing management or consulting services for the Trust, and (iii) personal holding companies or family trusts of any persons referred to in (i) and (ii), all as approved by the Compensation and Governance Committee. The Compensation and Governance Committee has the power and authority to determine when options shall be granted, the number of Units subject to each option and the vesting of options. Options have a maximum term of ten (10) years and are exercisable at a price equal to the closing price of the Units on the TSX on the last trading day on which the Units traded prior to the date of the grant. No participant shall hold options entitling him or her to acquire more than five percent (5%) of the aggregate number of Units, on a non-diluted basis, outstanding from time to time. In the event of termination of employment, retirement, disability or death, any option granted may be exercised only before the earlier of the termination of the option and one (1) calendar year from the date of the termination of employment, retirement, disability or death and only in respect of Units which were available for purchase at the date of such termination of employment, retirement, disability or death; the right to purchase Units which have not yet become available for purchase shall cease immediately. Non-executive trustees shall not hold options entitling the non-executive trustee to acquire, together with all Units issuable to non-executive trustees under the incentive plans (including any Units underlying options granted pursuant to the Unit Option Plan), more than one-half percent (0.5%) of the aggregate number of Units, on a non-diluted basis, outstanding from time to time. The Unit Option Plan can be amended by the board of trustees, subject to applicable law, without Unitholder approval, except in certain limited circumstances, which are substantially similar to those listed in the LTIP, as described above; except that Unitholder approval is not required to amend the provision of the Unit Option Plan relating to exercise price. Also, in the case of options previously granted, Unitholder approval is required: (i) to reduce the exercise price of an option, except in limited circumstances; (ii) to cancel or reissue options, except in limited circumstances; (iii) to extend the term of an option beyond the original expiry date, except in limited circumstances; and (iv) to extend the expiry date of an option beyond ten (10) years from its grant date, except in limited circumstances. Examples of the types of amendments that the trustees could make without Unitholder approval, include, but are not limited to: (i) amendments of a housekeeping nature; (ii) amendments to reflect changes to applicable securities law; and (iii) amendments to ensure options granted under the Unit Option Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction to which a participant may from time to time be subject.

Options may be exercised by the participant or his or her Personal Holding Company or Family Trust (as such terms are defined in the Unit Option Plan) and, upon the participant's death, the legal representative of his or her estate or any other person who acquires his or her rights in respect of an option by bequest or inheritance. A person exercising an option may subscribe for Units only in his or her own name, in the name of his or her Personal Holding Company or Family Trust or in his or her capacity as a legal representative.

In the event of a change of control, as described in the Unit Option Plan, a participant shall be entitled to exercise his or her options with respect to all Units subject to the options and not yet purchased thereunder, regardless of whether such Units have otherwise become available for purchase, and shall be entitled to tender such Units into an offer made to purchase 50% or more of the outstanding Units.

The following table sets forth information related to options exercised by the NEOs during the 2011 financial year and financial year end option values.

Name	Securities Acquired on Exercise(#)	Aggregate Value Realized ($)	Unexercised Options at Financial Year End(1) (#)	Value of Unexercised In-The-Money Options at Financial Year-End ($)
MARK KENNEY Chief Operating Officer	20,000	111,600	–	–
MARIA AMARAL Chief Accounting Officer	37,000	257,890	40,000	362,400

Note:

(1) All options are exercisable.

As at April 2, 2012, 2,004,500 options have been exercised and 540,750 remain outstanding and unexercised as at such date (representing, in the aggregate, approximately 2.97% of the number of outstanding Units as of such date) and a further 45,000 options have been cancelled. All participants under the Unit Option Plan must predisclose securities transactions.

Units issuable under the Unit Option Plan are included in the 7,000,000 cap on the number of Units issuable under all equity incentive plans of the Trust. Subject to Unitholder approval at the Meeting, the Trust proposes to amend the maximum number of Units issuable under all equity incentive plans from an aggregate of 7,000,000 Units to an aggregate amount equal to, at all times, ten percent (10%) of the number of issued and outstanding Units of the Trust.

The trustees' current policy is not to award any further options under the Unit Option Plan, except as provided for pursuant to the President and Chief Executive Officer's employment agreement (See "Significant Terms of Executive Employment Agreements").

Employee Unit Purchase Plan

The Trust has adopted an EUPP that is available to certain full-time employees and senior officers of the Trust. The purpose of the EUPP is to advance the interests of the Trust and Unitholders by facilitating and encouraging employees and senior officers of the Trust and its subsidiaries to purchase Units. Under the terms of the EUPP, each participant is entitled to acquire a number of Units up to a maximum of five percent (5%) of his or her respective annual salary from payroll deductions. A participant may not assign, transfer or dispose of his or her interest in the EUPP. Units issuable under the EUPP will be issued at the weighted average trading price of the Units on the TSX for the five (5) trading days immediately preceding the date of issue.

In addition, participants receive an additional amount equal to ten percent (10%) of the Units purchased pursuant to the EUPP, which amount is automatically paid in the form of additional Units at the time of purchase of Units.

No Units of the Trust shall be issued under the EUPP if such issuance would result in the majority of the Units to be allocated under the EUPP being or becoming issuable to Insiders (as such term is defined in the EUPP) or if the EUPP, together with all other previously established or proposed Unit incentive compensation plans, could result, at any time in: (i) the issuance to Insiders, within a one (1) year period, of a number of Units exceeding ten percent (10%) of the outstanding issue; (ii) the issuance to Insiders, at any time, of a number of Units exceeding ten percent (10%) of the outstanding issue; or (iii) the number of Units which may be issued or reserved for issuance, within a one (1) year period, under the EUPP and any other Unit incentive compensation plans to any single employee exceeding five percent (5%) of the outstanding issue.

Disentitlement under the EUPP occurs where a participant voluntarily retires or resigns or is terminated before "Normal Retirement" (means retirement coincident with or the next day following such participant attaining the age of sixty-five (65), or such earlier time as agreed to). Further, if at the end of any calendar year, a participant has not contributed his or her portion of his or her salary during the calendar year, the participant may be required to terminate his or her participation in the EUPP and all funds and Units held on behalf of such participant under the EUPP will be withdrawn. Upon the death or permanent disability of a participant, or in the event of a participant's Normal Retirement, such participant immediately ceases to be eligible to participate in the EUPP.

In the event of a change of control, as described in the EUPP, the board of trustees may determine the manner in which all Units subject to the terms of the EUPP shall be treated.

The EUPP can be amended by the board of trustees, subject to applicable law, without Unitholder approval, except in certain limited circumstances, which are substantially similar to those listed in the LTIP, as described above; except that Unitholder approval is not required to amend the provision of the EUPP relating to purchase price. Examples of the types of amendments that the trustees could make without Unitholder approval, include, but are not limited to: (i) amendments of a housekeeping nature; (ii) amendments to reflect changes to applicable securities law; and (iii) amendments to ensure that Units granted under the EUPP will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction to which a participant may from time to time be subject.

As at April 2, 2012, 116,856 Units had been issued under the EUPP, constituting 0.14% of the Trust's currently outstanding Units.

Units issuable under the EUPP are included in the 7,000,000 cap on the number of Units issuable under all equity incentive plans of the Trust. Subject to Unitholder approval at the Meeting, the Trust proposes to amend the maximum number of Units issuable under all equity incentive plans from an aggregate of 7,000,000 Units to an aggregate amount equal to, at all times, ten percent (10%) of the number of issued and outstanding Units of the Trust.

Unit Purchase Plan

The Trust has adopted a Unit Purchase Plan with the intent of advancing the interests of the Trust and Unitholders by providing short-term loans to certain senior officers to encourage and assist the acquisition of Units by them. Annual specified performance objectives will be based upon the ability of the Trust to meet annual targeted performance levels established for each financial year by the Compensation and Governance Committee.

Under the terms of the Unit Purchase Plan, loans may be made to participants for the purchase of Units. Loans must be repaid in full no later than the third anniversary of the date of the loan. Loans will bear interest at a rate determined by the Compensation and Governance Committee and may be interest free. Units purchased with loan proceeds will be pledged as collateral security for the repayment of the loan to such participant. The price at which Units are issued by the Trust and purchased by participants shall be the Market Value (which means the price per Unit equal to the weighted average trading price of the Units on the TSX for the five (5) trading days during which the Units were traded or posted immediately preceding the date in question) thereof as at the date of approval by the Administrator (as defined in the Unit Purchase Plan) of the making of the loan. A participant may not assign, transfer or dispose of his interest in the Units acquired under the Unit Purchase Plan and the Trust reserves the right to amend or terminate the Unit Purchase Plan at any time, subject to any required Unitholder and/or regulatory approvals. Unitholder approval is not required to amend the Unit Purchase Plan except in certain limited circumstances, which are substantially similar to those listed in the LTIP, as described above; except that Unitholder approval is not required to amend the provision of the Unit Purchase Plan relating to purchase price. Examples of the types of amendments that the trustees could make without Unitholder approval, include, but are not limited to: (i) amendments of a housekeeping nature; (ii) amendments to reflect changes to applicable securities law; and (iii) amendments to ensure that Units granted under the UPP will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction to which a participant may from time to time be subject.

If a participant voluntarily retires before attaining the age of sixty-five (65) or resigns or is terminated by the Trust from all of his position(s) as a senior officer or employee of the Trust, the participant shall cease to be eligible to participate in the plan and the participant's loan for Units under the plan shall become due and payable on the earlier of the original repayment date and the date that is sixty (60) business days after the triggering event.

In the event of a change of control, as described in the Unit Purchase Plan, the Compensation and Governance Committee may determine the manner in which all outstanding loans and Units shall be treated.

The loans made pursuant to the Unit Purchase Plan bore interest at the rate equal to the Trust's borrowing costs on its working capital credit facility from time to time, were secured by pledge of the Units purchased with the loan proceeds, and were full recourse to the NEOs personally. The loans were repaid in full on February 20, 2006.

As of April 2, 2012, a total of 423,725 Units have been issued under the Unit Purchase Plan (representing approximately 0.49% of the number of the issued and outstanding Units at such date). No new Units were issued and no new loans were granted to executives pursuant to the Unit Purchase Plan in 2010 or 2011. None of the trustees and executive officers of the Trust was indebted to the Trust in connection with the purchase of Units under the Unit Purchase Plan during the 2011 financial year and no amounts remain outstanding as at April 2, 2012.

Units issued under the Unit Purchase Plan are included in the 7,000,000 cap on the number of Units issuable under all equity based incentive plans of the Trust. Subject to Unitholder approval at the Meeting, the Trust proposes to amend the maximum number of Units issuable under all equity incentive plans from an aggregate of 7,000,000 Units to an aggregate amount equal to, at all times, ten percent (10%) of the number of issued and outstanding Units of the Trust.

The trustees' current policy is not to issue any further Units under the Unit Purchase Plan.

Deferred Unit Plan

Please refer to "Trustee Compensation – Deferred Unit Plan" for a description of the Trust's DUP.

PENSION PLAN BENEFITS

The Trust has not established a defined benefit plan or a defined contribution plan.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The following table provides a brief description of the Trust's termination provisions by compensation program as they relate to the NEOs.

Plan	Death, Retirement or Resignation	Termination With Cause	Termination Without Cause	Termination Without Cause Following a Change-In-Control
Base Salary	No longer eligible effective date of death, retirement or resignation.	No longer eligible effective date of termination.	Eligible for severance or lump sum severance payment (30 months).(1)	Eligible for severance or lump sum severance payment (36 months).(1)
Annual Incentive (Bonus)	Receive pro-rated payment based on proportion of financial year completed as of the date of death or retirement.	No longer eligible effective date of termination.	Eligible for severance or lump sum severance payment (30 months pro-rated on prior two (2) year average annual incentive award).(1)	Eligible for severance or lump sum severance payment (36 months pro-rated on prior two (2) year average annual incentive award).(1)

Plan	Death, Retirement or Resignation	Termination With Cause	Termination Without Cause	Termination Without Cause Following a Change-In-Control
RUR Plan	In the event of death, vesting of RURs may be accelerated; in the event of retirement, *pro rata* vesting of RURs occurs subsequent to the first anniversary of the grant date; in the event of resignation, no vesting of unvested RURs occurs. The board of trustees or the Compensation and Governance Committee, as applicable, retains discretion to accelerate vesting.	No vesting of unvested RURs occurs. The board of trustees or the Compensation and Governance Committee, as applicable, retains discretion to accelerate vesting.	*Pro rata* vesting of RURs occurs subsequent to the first anniversary of the grant date. The board of trustees or the Compensation and Governance Committee, as applicable, retains discretion to accelerate vesting.	Subject to the terms of any employment agreement, if termination occurs within two (2) years, vesting of RURs is accelerated. There is no automatic acceleration of vesting of unvested RURs under the RUR Plan simply arising because of the change of control. In the event of a change of control, if the acquirer does not provide a substituted plan or adopt the RUR Plan, vesting of unvested RURs is accelerated.
Unit Option Plan	Option(s) granted to such participant may be exercised only before the earlier of the termination of the option and one calendar year from the date of such event. No defined incremental benefit.			
LTIP	Subject to the discretion of the board of trustees, in the event of death, payment of remaining instalments shall be accelerated; subject to the discretion of the board of trustees, in the event of voluntary resignation or retirement, payment of instalments shall be accelerated.	Subject to the discretion of the board of trustees, payment of remaining instalments shall be accelerated.	Subject to the discretion of the board of trustees, payment of remaining instalments shall be accelerated.	Subject to the Instalment Receipt Agreement or any employment agreement, a participate may elect that the unvested portion of any Units beneficially owned under the LTIP shall vest immediately, subject to the completion of the change of control.
SELTIP	Subject to the discretion of the board of trustees, in the event of death, payment of remaining instalments shall be accelerated; subject to the discretion of the board of trustees, in the event of voluntary resignation or retirement, payment of instalments shall remain due and payable on date on which they would otherwise be payable.	Subject to the discretion of the board of trustees, payment of remaining instalments shall be accelerated.	Subject to the discretion of the board of trustees, payment of remaining instalments shall be accelerated.	Subject to the Instalment Receipt Agreement or any employment agreement, a participant may elect that the unvested portion of any Units beneficially owned under the SELTIP shall vest immediately, subject to the completion of the change of control.
Benefits	No longer eligible effective date of death, retirement, or resignation.	No longer eligible effective date of termination.	Benefits continue through severance period or a lump sum payment in lieu thereof (30 months) and Trust will continue to pay premiums. [1]	Benefits continue through severance period or a lump sum payment in lieu thereof (36 months) and Trust will continue to pay premiums. [1]
Perquisites	No longer eligible effective date of death, retirement or resignation.	No longer eligible effective date of termination.	Perquisites continue through severance period (30 months) and the Trust will continue to pay car allowance. [1]	Perquisites continue through severance period (36 months) and the Trust will continue to pay car allowance. [1]

Note:

(1) Not applicable to Mr. Cryer whose Executive Contract does not contain defined termination provisions.

The following table provides details pertaining to the estimated incremental payments from the Trust to each of the NEOs under each of the termination scenarios, assuming termination on December 31, 2011.

Name	Death, Retirement or Resignation ($)	Termination With Cause ($)	Termination Without Cause(1) ($)	Termination Without Cause Following a Change-In-Control(1) ($)
THOMAS SCHWARTZ President and Chief Executive Officer	690,000	Nil	3,505,158	4,206,189
SCOTT CRYER(2) Chief Financial Officer	-	-	-	-
MARK KENNEY Chief Operating Officer	320,000	Nil	1,666,073	1,999,287
MARIA AMARAL Chief Accounting Officer	250,000	Nil	1,164,268	1,397,121

Notes:

(1) Includes benefits premiums and car allowance.
(2) Mr. Cryer's Executive Contract does not contain defined termination provisions.

Each of the Executive Contracts, other than the Executive Contract for Mr. Cryer, provides defined termination provisions. Please refer to the section entitled "Significant Terms of Executive Employment Agreements" for the details of the NEO termination provisions.

Each of the Executive Contracts, other than the Executive Contract for Mr. Cryer, contains certain customary non-competition, non-solicitation and confidentiality provisions in favour of the Trust.

Richard Smith, the former Chief Financial Officer, resigned in June 2011. Mr. Smith was paid a lump sum amount totalling $1.3 million.

TRUSTEE COMPENSATION

Trustee Compensation Table for 2011

Name	Fees Earned ($)	Unit-Based Awards(1) ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
HAROLD BURKE	7,000	110,000	-	-	-	-	$117,000
PAUL HARRIS	-	110,000	-	-	-	-	$110,000
EDWIN F. HAWKEN	27,500	55,000	-	-	-	-	$82,500
THOMAS SCHWARTZ(2)	-	-	-	-	-	-	-
MICHAEL STEIN	20,000	110,000	-	-	-	-	$130,000
STANLEY SWARTZMAN	17,000	110,000	-	-	-	-	$127,000
DAVID WILLIAMS	7,000	110,000	-	-	-	-	$117,000
TOTAL	78,500	605,000	-	-	-	-	$683,500

Notes:

(1) Represents 5,388 Deferred Units issued to Messrs. Burke, Harris, Stein, Swartzman and Williams and 2,694 Deferred Units issued to Mr. Hawken under the DUP. The number of Deferred Units issued is determined by dividing the dollar amount by the market price (as defined in the DUP) of the Units on the grant date.

(2) Mr. Schwartz is President and Chief Executive Officer of the Trust and a trustee. Mr. Schwartz does not receive compensation for his services as trustee and does not participate in the DUP.

Narrative Discussion

The Compensation and Governance Committee reviews trustee compensation annually and recommends any modifications to trustee compensation to the board of trustees for approval. In determining the level of trustee compensation, the Compensation and Governance Committee reviewed a report prepared by an external compensation consultant in 2009 (see the "Compensation Discussion and Analysis – Executive Compensation Benchmark Analysis" discussion) and assessed trustee compensation as against the Trust's peers. The trustee compensation policy is to compensate trustees at the median of its peers.

During fiscal 2011, trustees received a flat annual retainer from the Trust per the schedule below. Certain trustees were also reimbursed for travel and miscellaneous expenses totalling, in the aggregate, $15,288. Pursuant to the DUP, each non-executive trustee in 2011 was entitled to elect to receive up to one hundred percent (100%) of his board compensation (equating to up to $55,000), in the form of Deferred Units (as defined below), in lieu of cash, which such amount shall be matched by the Trust. As a result, if a non-executive trustee elected to receive one hundred percent (100%) of his board compensation, such trustee's annual compensation for 2011 (including the impact of Deferred Units issued and matched by the Trust), would amount to $110,000.

The following table provides a description of the 2011 trustee fee schedule.

Compensation Element	**Compensation Value ($)**
Member Annual Retainer	$55,000
Chairman Annual Retainer (premium)	$20,000
Lead Trustee (premium)	$10,000
Audit Committee, Investment Committee and Compensation and Governance Committee Chair (premium)	$7,000

Currently, the Trust does not have a retirement policy for trustees.

Unit Ownership Requirements

On November 8, 2006, upon the recommendation of the Compensation and Governance Committee, the board of trustees instituted a requirement that the trustees own or acquire, over a maximum period of three (3) years, such number of Units, including, following adoption of the DUP, Deferred Units, having a value equal to three (3) times their annual compensation.

The following table summarizes the number of Units and Deferred Units owned by each trustee as at April 2, 2012 and whether each trustee has met or exceeded the ownership guidelines established by the board of trustees.

Name of Trustee	Number of Units Beneficially Owned, or Controlled or Directed, Directly or Indirectly[1] (#)	Number of Units allocated from DUP	Total Number of Units, including Deferred Units	Dollar Value of Units Beneficially Owned, or Controlled or Directed, Directly or Indirectly and Deferred Units[2] ($)	Met or Exceeded Ownership Guidelines?
HAROLD BURKE	100	11,230	11,330	258,777	Yes
PAUL HARRIS	55,000	21,100	76,100	1,738,124	Yes
EDWIN F. HAWKEN	57,870	13,891	71,761	1,639,021	Yes
THOMAS SCHWARTZ[3]	2,414,073	-	2,414,073	55,137,427	Yes
MICHAEL STEIN	575,306	23,521	598,827	13,677,209	Yes
STANLEY SWARTZMAN	104,021	23,521	127,542	2,913,059	Yes
DAVID WILLIAMS	52,283	23,521	75,804	1,731,363	Yes

Notes:

(1) Individual trustees have furnished information as to Units beneficially owned, or controlled or directed, directly or indirectly by them. Units include LTIP Units and, in the case of Mr. Schwartz, SELTIP Units.

(2) Dollar amounts represent the estimated market value of Units beneficially owned by each trustee, as determined by multiplying the number of Units beneficially owned by such trustee as of April 2, 2012 by the closing price of the Units on the TSX on such date.

(3) Mr. Schwartz is President and Chief Executive Officer of the Trust and a trustee. Mr. Schwartz does not receive compensation for his services as trustee and does not participate in the DUP. In this chart, Units do not include RURs or unexercised options. For more information on Mr. Schwartz, see "Incentive Plan Awards".

Deferred Unit Plan

In financial year 2008, the Trust established the DUP. The purpose of the DUP is to promote a greater alignment of interests between the non-executive trustees of the Trust and the Unitholders of the Trust.

Each Eligible Person (a person who is, on the applicable Election Date (as defined in the plan), a non-executive trustee) may, subject to the conditions of the DUP, elect (in accordance with Section 5.02 of the DUP) to be a participant in the DUP. A participant may elect to be paid twenty-five percent (25%), fifty percent (50%), seventy-five percent (75%) or one hundred percent (100%) (the "**Elected Percentage**") of his board compensation (such product being herein referred to as the "**Elected Amount**"), subject to an annual maximum Elected Percentage established by the Compensation and Governance Committee in its sole discretion and approved by the board of trustees, in the form of deferred Units ("**Deferred Units**"), in lieu of cash, provided that the Trust shall match the Elected Amount for each participant annually in the form of Deferred Units having a value on each Award Date (as defined in the plan) equal to the Market Value (as defined in the plan) on such dates. The maximum Elected Percentage for 2011 was one hundred percent (100%) of the participant's board compensation in respect of 2011. Under the DUP, one (1) Deferred Unit shall be equivalent in value to one (1) Unit of the Trust. Fractional Deferred Units are permitted, but shall be rounded down to the nearest whole number of Units at the time of settlement.

Participants may not change their Elected Amount or terminate their DUP participation during the calendar year. Under no circumstances shall Deferred Units be considered Units or entitle a participant to any Unitholder rights, including, without limitation, voting rights, distribution entitlements or rights on liquidation. Each Participant may elect to withdraw up to twenty percent (20%)

of the Deferred Units credited to his Deferred Unit account and redeem them for Units once in any five-year period. Upon issuance of such Units, the redeemed Deferred Units will be cancelled.

For the year ended December 31, 2011, the number of Deferred Units (including fractional Deferred Units) to be credited to a participant as of any particular Award Date (as defined in the plan) pursuant to the DUP are to be calculated by dividing: (i) fifty percent (50%) of the participant's Elected Amount; (calculated by doubling the dollar amount of the participant's Elected Amount and dividing that product by four) by (ii) the Market Value (as defined in the plan) of a Unit on the Award Date (as defined in the plan).

Whenever cash distributions are paid on the Units, additional Deferred Units are credited to the participant's Deferred Unit account. The number of such additional Deferred Units are calculated by dividing: (i) the amount determined by multiplying: (a) the number of Deferred Units in such participant's Deferred Unit account on the record date for the payment of such distribution by (b) the distribution paid per Unit; by (ii) the Market Value (as defined in the plan) of a Unit on the distribution payment date for such distribution, in each case, with fractions computed to two (2) decimal places.

In no event may the rights or interests of a participant under the DUP be assigned, encumbered, pledged, transferred or alienated in any way, except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a participant, by will or by the laws of succession and distribution. The DUP may be amended by the board of trustees, subject to applicable law, without Unitholder approval, except in certain limited circumstances, which are substantially similar to those listed in the LTIP, as described above; except that Unitholder approval is not required to amend the provisions of the DUP relating to the value of Deferred Units. Such amendments to the DUP that the trustees may make without Unitholder approval, include, but are not limited to: (i) minor changes of a house-keeping nature; (ii) amendment which, in the opinion of the trustees, are necessary or desirable to remove conflicts of inconsistencies in the DUP; (iii) amendments as the trustees in their discretion deem necessary or desirable as a result of changes in the taxation laws from time to time; and (iv) a change to or the addition of any vesting provisions of Deferred Units issued pursuant to the DUP.

As of April 2, 2012, a total of 34,847 Units have been settled under the DUP (representing approximately 0.04% of the issued and outstanding Units at such date) and a further 116,784 Units are issuable under the DUP (representing approximately 0.14% of the issued and outstanding Units at such date).

The trustees' current policy is not to award LTIP Units to trustees. The terms of the RUR Plan do not contemplate non-executive trustee participation.

The following table summarizes the number of Deferred Units allocated to each trustee under the DUP as at April 2, 2012 and the associated dollar value. Such Deferred Units are included in the 7,000,000 cap on Units which may be issued under all of the Trust's equity incentive plans; provided, however, that: (i) at no time shall the number of Units reserved for issuance to insiders of the Trust pursuant to outstanding Deferred Units, together with the number of Units reserved for issuance to such persons pursuant to the other equity incentive plans, exceed ten percent (10%) of the then outstanding Units, as calculated immediately prior to the issuance in question; (ii) the number of Units issued to insiders of the Trust pursuant to outstanding Deferred Units together with the number of Units issued to such persons pursuant to the other equity incentive plans, within any one (1) year period, shall not exceed ten percent (10%) of the then outstanding Units; and (iii) no Eligible Person shall at any time be issued Deferred Units under the DUP which would result in the non-executive trustees collectively holding an aggregate number of Units issued or issuable pursuant to the equity incentive plans or pursuant to the exercise of options granted pursuant to the Trust's Unit Option Plan in excess of one-half percent (0.5%) of the aggregate number of Units, on a non-diluted basis, outstanding from time to time. Subject to Unitholder approval at the Meeting, the Trust proposes to amend the maximum number of Units issuable under all equity incentive plans from an aggregate of 7,000,000 Units to an aggregate amount equal to, at all times, ten percent (10%) of the number of issued and outstanding Units of the Trust.

Deferred Unit Plan Summary

Name of Trustee	Number of Deferred Units Allocated from Deferred Compensation[1] (#)	Number of Deferred Units Allocated from Distributions[1] (#)	Dollar Value of Deferred Units[2] ($)
HAROLD BURKE	10,705	525	256,493
PAUL HARRIS	18,950	2,150	481,924
EDWIN F. HAWKEN	12,173	1,718	317,270
THOMAS SCHWARTZ[3]	-	-	-
MICHAEL STEIN	20,995	2,526	537,220
STANLEY SWARTZMAN	20,995	2,526	537,220
DAVID WILLIAMS	20,995	2,526	537,220
TOTAL	104,813	11,971	2,667,347

Notes:

(1) Amounts are rounded to nearest whole Deferred Unit.

(2) Dollar amounts represent the estimated market value of Deferred Units beneficially owned by each trustee, as determined by multiplying the number of Deferred Units beneficially owned by such trustee as of April 2, 2012 by the closing price of the Units on the TSX on such date.

(3) Mr. Schwartz is President and Chief Executive Officer of the Trust and a trustee. Mr. Schwartz does not receive compensation for his services as trustee and does not participate in the DUP.

Outstanding Unit-based Awards and Option-based Awards

The following table sets forth unexercised options, LTIP Units and Deferred Units issued in previous years to trustees as of December 31, 2011.

	Option-Based Awards				Unit-Based Awards		
Name	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option-Expiration Date**	**Value of Unexercised In-The-Money Options[1] ($)**	**Number of Units That Have Not Vested (#)**	**Market or Payout Value of Unit-Based Awards That Have Not Vested ($)**	**Market or Payout Value of Vested Unit–Based Awards Not Paid Out or Distributed[1],[2] ($)**
HAROLD BURKE	-	-	-	-	-	-	220,155
PAUL HARRIS	20,000[4]	13.73	April 4, 2012	171,600	-	-	1,218,595
EDWIN F. HAWKEN	-	-	-	-	-	-	1,073,379
THOMAS SCHWARTZ[3]	-	-	-	-	-	-	-

	Option-Based Awards				Unit-Based Awards		
Name	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option-Expiration Date**	**Value of Unexercised In-The-Money Options[1] ($)**	**Number of Units That Have Not Vested (#)**	**Market or Payout Value of Unit-Based Awards That Have Not Vested ($)**	**Market or Payout Value of Vested Unit–Based Awards Not Paid Out or Distributed[1],[2] ($)**
MICHAEL STEIN	-	-	-	-	-	-	1,271,960
STANLEY SWARTZMAN	-	-	-	-	-	-	1,271,960
DAVID WILLIAMS	-	-	-	-	-	-	1,271,960

Notes:

(1) Value based on closing price of the Units on the TSX on December 31, 2011.
(2) Represents Deferred Units and LTIP Units. The outstanding loan balance on the LTIP Unit awards at December 31, 2011 is $430,890 for each of Messrs. Harris, Hawken, Stein, Swartzman and Williams.
(3) Mr. Schwartz is President and Chief Executive Officer of the Trust and a trustee. Mr. Schwartz does not receive compensation for his services as trustee. For information on Mr. Schwartz, see "Incentive Plan Awards".
(4) Subsequent to December 31, 2011, Mr. Harris exercised 20,000 options at an exercise price of $13.73.

Incentive Plan Awards — Value Vested or Earned During the Year

The following table sets forth the value of the LTIP Units held by each trustee that vested during the 2011 financial year.

Name[1]	**Option-Based Awards - Value Vested During the Year ($)**	**Unit-Based Awards - Value Vested During the Year($)**	**Non-Equity Incentive Plan Compensation - Value Earned During the Year ($)**
HAROLD BURKE	—	—	—
PAUL HARRIS	—	—	—
EDWIN F. HAWKEN	—	—	—
MICHAEL STEIN	—	—	—
STANLEY SWARTZMAN	—	—	—
DAVID WILLIAMS	—	—	—

Note:

(1) For information on Mr. Schwartz, see "Incentive Plan Awards".

Narrative Discussion

The above-mentioned options and Units were issued pursuant to the Trust's Unit Option Plan (see "Incentive Plan Awards — Unit Option Plan") and LTIP (see "Incentive Plan Awards — Long-Term Incentive Plan"), respectively. Non-executive trustees are not permitted to hold an aggregate number of Units issued or issuable pursuant to incentive plans of the Trust or pursuant to the exercise of options under the Trust's Unit Option Plan in excess of one-half percent (0.5%) of the aggregate number of Units, on a non-diluted basis, outstanding from time to time.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out as at December 31, 2011 the number of Units to be issued upon exercise of outstanding options and rights, the weighted average exercise price of outstanding options and rights and the number of Units remaining available for future issuance under the Trust's Unit Option Plan:

Plan Category	Number of Units to be issued upon exercise of outstanding options and rights (#)	Weighted-average exercise price of outstanding options and rights ($)	Number of Units remaining available for future issuance under Unit Option Plan (excluding securities reflected in first column) [(1)] (#)
Unit Option Plan approved by Unitholders			
Executives	492,250	18.34	N/A
Non-Executives Trustees	20,000	13.73	N/A
Other Senior Management	78,500	13.25	N/A
Equity Compensation Plans not approved by Unitholders	Nil	Nil	Nil
TOTAL	590,750	17.51	1,012,348

Note:

(1) The maximum number of Units remaining available for future issuance under the Unit Option Plan, LTIP, SELTIP, RUR Plan, EUPP and Unit Purchase Plan (all as more fully described under "Equity Based Incentive Plans") and the DUP (as more fully described under "Deferred Unit Plan"), as at April 2, 2012, was 1,012,348 Units (which represents approximately 1.18% of the issued and outstanding Units at such date).

INDEBTEDNESS OF TRUSTEES AND EXECUTIVE OFFICERS

Since the creation of the Trust, there has been no indebtedness incurred to the Trust by any of its trustees or executive officers, other than pursuant to the LTIP, SELTIP and Unit Purchase Plan.

Aggregate Indebtedness

The following table sets forth information related to the aggregate indebtedness outstanding as at April 2, 2012 entered into in connection with purchases of Units and all other indebtedness of all executive officers, trustees, employees and former executive officers, trustees and employees of the Trust and its subsidiaries.

AGGREGATE INDEBTEDNESS		
Purpose	**To the Trust or its subsidiaries**	**To Another Entity**
LTIP and SELTIP Purchases	$31,824,834	–
Other	–	–

Indebtedness of Trustees and Executive Officers under the LTIP and SELTIP in the Most Recently Completed Financial Year

Indebtedness under the LTIP

The following table sets forth information related to indebtedness of all executive officers and trustees under the LTIP with respect to the 2011 financial year. No LTIP Units were issued in 2011.

Name and Principal Position	Involvement of the Trust	Largest Amount Outstanding During 2011 ($)	Amount Outstanding at April 2, 2012 ($)	Financially Assisted Securities Purchased During 2011 (#)	Security for Indebtedness	Amount Forgiven During 2011 ($)
Securities Purchase Programs						
THOMAS SCHWARTZ[5] President and Chief Executive Officer	Lender	7,529,251	7,185,102[1]	NIL	Non-recourse-security are the Units and the distributions	NIL
MARK KENNEY Chief Operating Officer	Lender	2,822,651	2,710,084[2]	NIL	Non-recourse-security are the Units and the distributions	NIL
MARIA AMARAL Chief Accounting Officer	Lender	1,647,730	1,586,223[3]	NIL	Non-recourse-security are the Units and the distributions	NIL
SUB-TOTAL:		11,999,632	11,481,409	NIL		NIL
PAUL HARRIS[5] Partner, Davies, Ward, Phillip & Vineberg LLP (a law firm)	Lender	446,957	426,734[4]	NIL	Non-recourse-security are the Units and the distributions	NIL
EDWIN F. HAWKEN[5] Corporate Director	Lender	446,957	426,734[4]	NIL	Non-recourse-security are the Units and the distributions	NIL
MICHAEL STEIN[5] Chairman of the Trust and President and Chief Executive Officer of MPI Group Inc.	Lender	446,957	426,734[4]	NIL	Non-recourse-security are the Units and the distributions	NIL
STANLEY SWARTZMAN[5] Vice President, Real Estate and Store Planning of Sears Canada	Lender	446,957	426,734[4]	NIL	Non-recourse-security are the Units and the distributions	NIL

Name and Principal Position	Involvement of the Trust	Largest Amount Outstanding During 2011 ($)	Amount Outstanding at April 2, 2012 ($)	Financially Assisted Securities Purchased During 2011 (#)	Security for Indebtedness	Amount Forgiven During 2011 ($)
Securities Purchase Programs						
DAVID WILLIAMS[5] Corporate Director	Lender	446,957	436,734[4]	NIL	Non-recourse-security are the Units and the distributions	NIL
SUB-TOTAL		2,234,785	2,133,670	NIL		NIL
TOTAL		14,234,417	13,615,079	NIL		NIL

Notes:

(1) Instalment receipts issued for 10-year terms on August 21, 2007 at 4.88%, February 29, 2008 at 4.65%, March 10, 2009 at 4.48% and November 19, 2009 at 4.48%.
(2) Instalment receipts issued for 10-year terms on November 18, 2004 at 4.97%, March 14, 2005 at 4.979%, March 20, 2006 at 4.67%, March 2, 2007 at 4.56%, February 29, 2008 at 4.65% and March 10, 2009 at 4.48%.
(3) Instalment receipts issued for 10-year terms on March 14, 2005 at 4.979%, March 20, 2006 at 4.67%, March 2, 2007 at 4.56%, February 29, 2008 at 4.65% and March 10, 2009 at 4.48%.
(4) Instalment receipts issued for 10-year terms on March 14, 2005 at 4.979% and August 21, 2007 at 4.88%.
(5) Proposed nominee for election as a trustee.

Indebtedness under the SELTIP

The following table sets forth information related to indebtedness of all executive officers and trustees under the SELTIP with respect to the 2011 financial year. No SELTIP Units were issued in 2011.

Name and Principal Position	Involvement of the Trust	Largest Amount Outstanding During 2011 ($)	Amount Outstanding as at April 2, 2012 ($)	Financially Assisted Securities Purchased During 2011 (#)	Security for Indebtedness	Amount Forgiven During 2011 ($)
Securities Purchase Programs						
THOMAS SCHWARTZ[2] President and Chief Executive Officer	Lender	8,629,572	8,413,664[1]	NIL	Non-recourse – security are the Units and the distributions	NIL
TOTAL		8,629,572	8,413,664	NIL		NIL

Notes:

(1) Instalment receipts issued on November 18, 2004, March 14, 2005, March 20, 2006 and March 2, 2007 (converted from LTIP) and August 21, 2007 at 4.96% for 30-year terms.
(2) Proposed nominee for election as a trustee.

Indebtedness under the Unit Purchase Plan

As of April 2, 2012, a total of 423,725 Units have been issued under the Unit Purchase Plan (representing approximately 0.49% of the number of the issued and outstanding Units at such date). Loans made pursuant to the Unit Purchase Plan in connection with the issuance of such Units bore interest at the rate equal to the Trust's borrowing costs on its working capital credit facility from time to time, were secured by pledge of the Units purchased with the loan proceeds, and were full recourse to the NEOs personally. The loans were repaid in full on February 20, 2006.

No new Units were issued and no new loans were granted to executives pursuant to the Unit Purchase Plan in 2011. None of the trustees and executive officers of the Trust were indebted to the Trust in connection with the purchase of Units under the Unit Purchase Plan during the 2011 financial year and no amounts remain outstanding as at April 2, 2012.

The trustees' current policy is not to issue any further Units under the Unit Purchase Plan.

STATEMENT OF GOVERNANCE PRACTICES

General

The trustees strongly believe that sound corporate governance is essential to produce maximum benefits to those individuals and institutions that have invested in Units. Effective June 30, 2005, the Canadian Securities Administrators ("**CSA**") adopted National Policy 58-201 – *Corporate Governance Guidelines* (the "**Policy**") and National Instrument 58-101 — *Disclosure of Corporate Governance Practices* (the "**Instrument**" and together with the Policy, the "**CSA Governance Rules**"). The CSA Governance Rules have replaced the fourteen (14) corporate governance guidelines of the TSX and require that the Trust set out the mandated disclosure required under the Instrument, with reference to the "best practices" set out in the Policy. In accordance with the CSA Governance Rules, the following is a summary of the governance practices of the Trust.

To comply with these various standards and achieve best practices, the Trust has adopted comprehensive corporate governance policies and procedures. The Trust's key policies and documents include the following:

- Code of Business Ethics and Conduct
- Whistle-blower Policy
- Audit Committee Charter
- Compensation and Governance Committee Charter
- Investment Committee Charter
- Disclosure Policy
- Insider Trading Policy
- Position descriptions for the Chairman, Lead Trustee and Chair of each board committee

The trustees of the Trust believe that the Trust's governance practices are substantially in compliance with the CSA Governance Rules.

Board of Trustees

Composition

The number of trustees is currently fixed at seven (7). As of April 2, 2012, the trustees were: Harold Burke, Paul Harris, Edwin F. Hawken, Thomas Schwartz, Michael Stein, Stanley Swartzman and David Williams.

Independent and Non-Independent Trustees

Pursuant to NI 52-110, an independent trustee is one who has no direct or indirect material relationship with the Trust which could, in the view of the board of trustees, reasonably interfere with a trustee's independent judgment. The trustees have determined that five (5) of the trustees, constituting a majority of the board of trustees, will be independent under the CSA Governance Rules. Two (2) trustees, namely Michael Stein, Chairman of the Trust and Thomas Schwartz, President and Chief Executive Officer of the Trust, are considered not to be independent for the following reasons:

- Mr. Stein is a co-owner (together with Mr. Schwartz) of a company that provided construction management services to the Trust in connection with the Trust's property capital investment program. The Trust terminated this arrangement as of December 31, 2011 and on January 1, 2012, entered into a new construction management services agreement with an independent third party.

- Mr. Schwartz is the President and Chief Executive Officer of the Trust and a co-owner (together with Mr. Stein) of a company that provided construction management services to the Trust in connection with the Trust's property capital investment program, as described above. Mr. Schwartz also has an eighteen percent (18%) beneficial interest in a company which leases office space to the Trust.

The trustees, at the recommendation of the Compensation and Governance Committee, appointed Stanley Swartzman as lead trustee (the "**Lead Trustee**"). The board of the Trust currently has a Chairman who is not independent. The Lead Trustee is responsible for acting as the effective leader of the board in circumstances where it is inappropriate for the Chairman to act in that role and for ensuring that the board's agenda will enable it to successfully carry out its duties.

Other Board Memberships

The following table sets out the names of each other reporting issuer, and the exchange upon which the securities of that reporting issuer are listed, for which each of the current trustees (and nominees for trustee) of the Trust serves as a trustee or director as at April 2, 2012:

Name of Trustees	Name of Reporting Issuer of which Trustee is a director or trustee and position	Exchange
EDWIN F. HAWKEN	• Danier Leather Inc., Chairman	• TSX
THOMAS SCHWARTZ	• Chartwell Seniors Housing REIT, Trustee	• TSX
MICHAEL STEIN	• McEwan Mining Inc., Director	• TSX and New York Stock Exchange
STANLEY SWARTZMAN	• GT Canada Capital Corporation, Director	• TSX Venture Exchange
DAVID WILLIAMS	• Shoppers Drug Mart Corporation, Director • Aastra Technologies Limited, Lead Independent Director • Toronto Hydro Corporation	• TSX • TSX and American Stock Exchange

Meetings of Trustees

The following table shows meeting attendance records for all current trustees in 2011.

Name of Trustee	Board	Audit Committee	Compensation and Governance Committee	Investment Committee
HAROLD BURKE	12/12	4/4	N/A	10/10
PAUL HARRIS	11/12	N/A	5/5	N/A
EDWIN F. HAWKEN	12/12	N/A	5/5	10/10
THOMAS SCHWARTZ	12/12	N/A	N/A	N/A
MICHAEL STEIN	12/12	N/A	N/A	N/A
STANLEY SWARTZMAN	12/12	4/4	N/A	10/10
DAVID WILLIAMS	11/12	4/4	5/5	N/A

Meetings of Independent Trustees

The independent trustees hold regularly-scheduled meetings without the attendance of non-independent trustees and management at the end of each meeting of the board of trustees and at each meeting of the audit committee (the "**Audit Committee**") and Compensation and Governance Committee. The Chair of the Audit Committee and the Compensation and Governance Committee conducts such committees' respective in camera sessions. For the board of trustees, the Chairman conducts the in camera sessions without the presence of management, and the Lead Trustee conducts the in camera sessions without the presence of management or non-independent trustees.

During 2011, the Audit Committee and Compensation and Governance Committee met as follows:

Meeting	Meetings Held	Meetings Held Without Management
Audit Committee	4	4
Compensation and Governance Committee	5	5

Declaration of Trust

Pursuant to the Declaration of Trust, the board of trustees has assumed responsibility for the stewardship of the Trust and has been granted the necessary powers to carry out its responsibilities. The trustees' responsibilities include:

(i) the development and adoption of the Trust's strategic planning process;

(ii) the identification of the principal risks associated with the business of the Trust and the implementation of appropriate systems to manage these risks;

(iii) the appointment and evaluation of senior management;

(iv) overseeing the communications policy of the Trust;

(v) ensuring the integrity of the Trust's internal controls and management information systems;

(vi) the creation of position descriptions for the board and for the President and Chief Executive Officer;

(vii) the implementation of structures and procedures which ensure the board can function independently of management;

(viii) implementing a process for assessing the effectiveness of the board as a whole, the committees of the board and the contribution of individual trustees;

(ix) reviewing the adequacy and form of compensation of trustees and ensuring it realistically reflects the responsibilities and risks involved in being a trustee; and

(x) assessing its responsibilities and performance under its mandate.

Committees of Trustees

To assist the trustees in fulfilling their governance responsibilities, the trustees have formed three (3) committees, each of which is composed of at least a majority of independent, unrelated trustees: the Audit Committee, the Compensation and Governance Committee and the investment committee (the "**Investment Committee**").

Audit Committee

The Declaration of Trust requires the creation of an Audit Committee, consisting of at least three (3) trustees, to review the consolidated financial statements of the Trust. The terms of reference for the Audit Committee require that all members be unrelated and financially literate (as defined in NI 52-110). All members of the Audit Committee are independent and financially literate, as those terms are defined in NI 52-110. As of April 2, 2012, the Audit Committee of the Trust consists of the following three (3) trustees: Harold Burke, Stanley Swartzman and David Williams. Harold Burke serves as Chairman of the Audit Committee.

For further information regarding the Audit Committee, please see Sections 12.2, 12.6 and Appendix "A" of the Trust's Annual Information Form dated March 30, 2012, which can be accessed on SEDAR under the Trust's profile at www.sedar.com.

The Audit Committee is responsible for monitoring the Trust's external auditor and ensuring that the external auditor is and remains independent of management.

During the year ended December 31, 2011, the Audit Committee met four (4) times.

Compensation and Governance Committee

The Declaration of Trust requires the creation of a Compensation and Governance Committee, consisting of at least three (3) trustees, to review the governance of the Trust and compensation offered to officers of the Trust. All of the members of the Compensation and Governance Committee must at all times be independent (as that term is defined in NI 52-110), and free from any relationship that, in the opinion of the board of trustees of the Trust, would interfere with the exercise of his independent judgment as a member of the Compensation and Governance Committee and each of whom should be familiar with corporate governance practices.

The Compensation and Governance Committee has the primary functions of assisting the board in fulfilling its compensation and corporate governance oversight responsibilities. The committee has specific responsibilities relating to: structuring and reviewing compensation plans; the administration of the Trust's compensation plans; reviewing the Trust's governance framework, activity and disclosure; the composition and performance of the board and its committees; reviewing compliance with the Code of Business Ethics and Conduct and Disclosure Policy; and proposing new nominees for appointment to the board, orienting new trustees and providing continuing education for existing trustees. For a more detailed discussion of the Compensation and Governance Committee's role in executive compensation, see the "Compensation Discussion & Analysis – Compensation and Governance Committee" discussion above.

As of April 2, 2012, the Compensation and Governance Committee of the Trust consists of the following three (3) trustees: Paul Harris; Edwin F. Hawken; and David Williams. David Williams serves as Chairman of the Compensation and Governance Committee. The Compensation and Governance Committee is composed entirely of independent trustees.

During the year ended December 31, 2011, the Compensation and Governance Committee met five (5) times.

Investment Committee

The Declaration of Trust provides that the trustees shall appoint from among their number an Investment Committee consisting of at least three (3) trustees. A majority of the members of the Investment Committee must have had at least five (5) years of substantial experience in the real estate industry. In addition, a majority of the members of the Investment Committee must be independent trustees.

The duties of the Investment Committee are to review investment and disposition proposals of the Trust, subject to such authority as the trustees may delegate to the officers of the Trust, and to perform such other duties as the trustees may delegate to the Investment Committee pursuant to Article 8 of the Declaration of Trust.

As of April 2, 2012, the Investment Committee of the Trust consists of the following three (3) trustees: Harold Burke, Edwin F. Hawken, and Stanley Swartzman. Stanley Swartzman serves as Chairman of the Investment Committee.

The Investment Committee met ten (10) times during the year ended December 31, 2011.

Position Descriptions

As part of its responsibility for identifying and recommending candidates to the board for election and re-election as trustees, the Compensation and Governance Committee has developed certain criteria to facilitate its review of the qualifications of candidates and existing direction. These outline the desired complement of trustees' skills and characteristics based on the Trust's current and anticipated needs under the broad categories of enterprise leadership, management experience, board experience, legal/tax, real estate, human resources, corporate governance, financial acumen, government relations and capital markets. The board reviews and, if required, updates these criteria annually to reflect its assessment of the current needs of the board and the strategic priorities of the Trust. Part of this review entails a self-assessment by each existing trustee of his skills and qualifications. The board then identifies any gaps, which assist the Compensation and Governance Committee in its search for new candidates. In considering the nomination of a trustee for re-election to the board, the Compensation and Governance Committee looks at a number of factors including board attendance, contribution and feedback from other trustees and, reviews and recommendations arising out of trustee effectiveness assessments and peer-review evaluations.

The President and Chief Executive Officer

The board has developed a written position description for the President and Chief Executive Officer of the Trust. The President and Chief Executive Officer, who is accountable to the board of trustees for the effective overall management of the Trust, and for conformity with policies agreed upon by the board, has full responsibility for the day-to-day operations of the Trust's business in accordance with its strategic plan and its operating and capital budgets as approved by the board of trustees.

The mandate of the President and Chief Executive Officer sets out the President and Chief Executive Officer's key responsibilities. The primary accountabilities of the President and Chief Executive Officer are:

- fostering a corporate culture that promotes ethical practices and encourages individual integrity;

- maintaining a positive and ethical work climate that is conducive to attracting, retaining and motivating top-quality employees at all levels;

- developing a long-term strategy and vision for the Trust that enhances Unitholder value;

- developing an annual operating plan and financial budget that support the Trust’s long-term strategy;
- strategy and implementation for major mergers, acquisitions and divestitures;
- ensuring that the day-to-day business affairs of the Trust are appropriately managed by developing and implementing processes that will ensure the achievement of the Trust’s financial and operating goals and objectives;
- formulating and overseeing the implementation of major corporate policies;
- establishing a strong working relationship with the board of trustees;
- keeping the board of trustees aware of the Trust’s performance and events affecting its business, including opportunities in the marketplace and adverse or positive developments;
- serving as the chief spokesperson for the Trust and establishing the Trust’s communications framework and strategy;
- ensuring, in cooperation with the board, that there is an effective succession plan in place for the President and Chief Executive Officer position;
- ensuring that the Trust has an effective management team below the level of the President and Chief Executive Officer, and has an active plan for its development and succession; and
- ensuring that there is clarity of objectives and focus for all employees and ensuring that there are clear and appropriate standards and measures of performance.

The mandate is reviewed by the Compensation and Governance Committee and considered by the board for approval each year.

Chairman of Board

The board has also developed a written position description for the Chairman of the board. The Chairman, who is appointed by the board on annual basis at the first meeting of the board following the annual meeting of Unitholders each year, is responsible for the effective functioning of the board, his primary responsibility being to facilitate the operations and deliberations of the board and the satisfaction of the board’s responsibilities under his mandate. The Chairman serves for a term expiring following the next annual meeting of Unitholders or until a successor is appointed or he resigns.

The mandate of the Chairman of the board sets out the Chairman’s key responsibilities. The Chairman of the board is required to establish procedures to govern the board’s work and ensuring the board’s full discharge of its duties, including:

- collaborating with the President and Chief Executive Officer and other members of management, where appropriate, to develop the agenda for board meetings;

- providing appropriate information from management to enable the board and committees to exercise their accountabilities; ensuring that items requiring board/committee approval are appropriately tabled;
- ensuring proper flow of information to the board and reviewing adequacy and timing of documentary materials in support of management's proposals;
- ensuring that external advisors retained or to be retained by the board are appropriately qualified and independent; and
- ensuring that the board has access to members of senior management as may be required by the board.

The Chairman of the board is also mandated to chair every board meeting and encourage free and open discussion at meetings; chair every meeting of Unitholders and respond such questions as are put to the Chairman of the board of trustees at any such meeting; receive notices and materials for all committee meetings and attend all such meetings whenever possible; together with the Compensation and Governance Committee, identify guidelines for the selection of, and evaluation of performance of, the trustees; act as liaison between the board and management; and carry out other duties as requested by the board as a whole, depending on need and circumstances.

The mandate of the Chairman is reviewed and considered by the board for approval each year.

Board Committee Chairs and Lead Trustee

Position descriptions for the Chairs of the Audit Committee, the Compensation and Governance Committee and the Investment Committee, as well as for the Lead Trustee, have also been approved by the respective committees and the board, which set out their key responsibilities. Each Chair will work with its respective committee, and in the case of the Lead Trustee, with the board of trustees, and management to ensure to the greatest extent possible effective functioning of the committee or board.

Audit Committee

The Chair of the Audit Committee is appointed by the board on annual basis at the first meeting of the board following the annual meeting of Unitholders each year. The Chair serves for a term expiring following the next annual meeting of Unitholders or until a successor is appointed or the Chair resigns, provided if there is a vacancy in such office, the Audit Committee shall appoint one of its members to fill the vacancy until such time as it is filled by the board of trustees.

The Charter of the Audit Committee and the position description for the Chair sets out the Chair's key responsibilities. The Chair, being responsible for the effective functioning of the Audit Committee, is required to establish procedures to govern the Audit Committee's work and works with the Audit Committee and management to ensure, to the greatest extent possible, the Audit Committee's full discharge of its duties, including:

- collaborating with the President and Chief Executive Officer and other members of management, where appropriate, to develop the agenda for Audit Committee meetings;
- obtaining appropriate information from management to enable the Audit Committee to exercise their duties;

- working with the Audit Committee and management to ensure, to the greatest extent possible, that all items requiring Audit Committee approval or Audit Committee recommendations to the board are appropriately tabled;
- working with the Audit Committee and management to ensure, to the greatest extent possible, proper flow of information to the Audit Committee and reviewing adequacy and timing of required documentary materials;
- working with the Audit Committee and management to ensure, to the greatest extent possible, that external advisors retained or to be retained by the Audit Committee are appropriately qualified and independent;
- working with the Audit Committee and management to ensure, to the greatest extent possible, that the Audit Committee has access to such members of senior management as may be required;
- working with the Audit Committee and management to ensure, to the greatest extent possible, an open and frank relationship between the Committee and the internal and external auditors; and
- supporting the independence of the external auditor from management.

The Chair of the Audit Committee is also mandated to discuss as necessary with the Chair of the Compensation and Governance Committee the skills, experience and talents required for the Audit Committee on an ongoing basis; chair every meeting of the Audit Committee and encourage a free and open discussion at the meetings; report to the board on behalf of the Audit Committee; attend every meeting of Unitholders and respond to such questions from Unitholders as may be put to the Chair of the Audit Committee; and carry out other duties as requested by the board, depending on need and circumstances.

The mandate of the Chair is reviewed and considered by the board for approval each year.

For further information regarding the Audit Committee, please see Sections 12.2, 12.6 and Appendix "A" of the Trust's Annual Information Form dated March 30, 2012, which can be accessed on SEDAR under the Trust's profile at www.sedar.com.

Compensation and Governance Committee

The Chair of the Compensation and Governance Committee is elected by the board on an annual basis at the first meeting of the board following the annual meeting of Unitholders. Unless a Chair is elected by the full board, the members of the Compensation and Governance Committee may designate a Chair by majority vote of the full committee membership.

The Chair serves for a term expiring following the next annual meeting of Unitholders or until a successor is appointed or the Chair resigns.

The Charter of the Compensation and Governance Committee and the position description for the Chair sets out the Chair's key responsibilities. The Chair, being responsible for the effective functioning of the Compensation and Governance Committee, is required to establish procedures to govern the Compensation and Governance Committee's work and ensure the Compensation and Governance Committee's full discharge of its duties, including:

- collaborating with the President and Chief Executive Officer and other members of management, where appropriate, to develop the agenda for Compensation and Governance Committee meetings;
- providing appropriate information from management to enable the Compensation and Governance Committee to exercise their accountabilities;
- ensuring that all items requiring Compensation and Governance Committee approval or Compensation and Governance Committee recommendations to the board are appropriately tabled;
- ensuring proper flow of information to the Compensation and Governance Committee and reviewing adequacy and timing of documentary materials in support of management's proposals;
- ensuring that external advisors retained or to be retained by the Compensation and Governance Committee are appropriately qualified and independent; and
- ensuring that the Compensation and Governance Committee has access to such members of senior management as may be required by the board.

The mandate of the Chair is reviewed and considered by the board for approval each year.

Investment Committee

The Chair of the Investment Committee is appointed by the board on an annual basis following the annual meeting of Unitholders each year or, in the event that the board does not elect a Chair, the members of the Investment Committee may designate a Chair by majority vote of the full committee membership. The Chair serves for a term expiring following the next annual meeting of Unitholders or until a successor is appointed or the Chair resigns.

The Charter of the Investment Committee and the position description for the Chair set out the Chair's key responsibilities. The Chair, being responsible for the effective functioning of the Investment Committee, is required to establish procedures to govern the Investment Committee's work and ensure the Investment Committee's full discharge of duties, including:

- collaborating with the President and Chief Executive Officer and other members of management, where appropriate, to develop the agenda for committee meetings;
- providing appropriate information from management to enable the committee to exercise its accountabilities;
- ensuring that all items requiring committee approval or committee recommendations to the board are appropriately tabled;
- ensuring proper flow of information to the committee and reviewing adequacy and timing of documentary materials; and
- ensuring that the committee has access to such members of senior management as may be required by the committee.

The Chair of the Investment Committee is also mandated to encourage free and open discussion at meetings of the committee; report to the board on behalf of the Investment Committee; attend every meeting of Unitholders and respond to such questions from Unitholders as may be put to the Chair of the Investment Committee; and carry out other duties as requested by the board, depending on need and circumstances.

The mandate of the Chair is reviewed and considered by the board for approval each year.

Lead Trustee

The Lead Trustee of the board of trustees of the Trust is an independent trustee who is designated by the board. He or she shall hold office at the pleasure of the board, until a successor shall have been designated or until the Lead Trustee resigns or is otherwise removed from the office by the board.

The board of the Trust currently has a Chairman who is not "independent". The Lead Trustee is responsible for acting as the effective leader of the board in circumstances where it is inappropriate for the Chairman to act in that role and ensuring that the board's agenda will enable it to successfully carry out its duties. The Lead Trustee's key role is to work with the Chairman and ensure that the board: (i) discharges its responsibilities, (ii) has structures and procedures in place to enable it to function independently of management, and (iii) clearly understands and respects the boundaries between the board and management's responsibilities.

The Lead Trustee may vote at meetings of the board and at all meetings of the committees of which he or she is a member, and may attend and participate in all meetings of the board and at all meetings of the committees of which he or she is a member.

The Lead Trustee's responsibilities include assisting the Chairman in managing the board by:

- recommending and chairing periodic special meetings of the independent trustees of the board and assuming any responsibilities that the independent trustees may designate from time to time;
- chairing board meetings and assuming the duties of the Chairman when the Chairman is not in attendance or when it is inappropriate for the Chairman to act in such capacity;
- chairing the in camera session of the board in the absence of the Chairman;
- providing input to the Chairman on the preparation of agendas for board meetings;
- assisting the Chairman in adopting procedures allowing the board to conduct its work effectively and efficiently;
- facilitating the process of conducting trustee and board evaluations;
- serving as board ombudsman, so as to ensure that questions or comments of individual trustees are heard and addressed;
- regularly reviewing with the Compensation and Governance Committee the size and composition of the board and its committees to favour effective decision-making;

- recommending committee Chairs to the board, in consultation with the Compensation and Governance Committee; and

- facilitating the Chairman in the exercise of his duties.

The Lead Trustee is also responsible for ensuring board quality and continuity by meeting, from time to time, with the Compensation and Governance Committee to review board, board committees, committee Chairs' and board members' performance and to discuss nominees as trustees to be submitted to the board for its approval. The Lead Trustee also acts as liaison between the board and management.

The position description of the Lead Trustee is considered and reviewed by the board for approval each year.

Orientation and Continuing Education

New Trustees

The Trust ensures that new trustees have a general understanding of both the business of the Trust and the roles and responsibilities of the board of trustees and its committees.

New trustees are invited to meet with the Chairman of the board and the Chairs of the committees of the board of trustees, as well as with senior management. To further provide a comprehensive understanding of both the underlying principles governing the Trust's operations as well as the role of the board of trustees and its committees, new trustees are provided with documents material to the Trust, including the Trust's Annual Information Form, Declaration of Trust, Management Information Circular, committee charters, business policies including the disclosure policy, as well as historical financial statements.

In addition, new trustees are invited to tour part of the Trust's portfolio with the President and Chief Executive Officer, in order to familiarize themselves with the Trust's operations, property management, and a segment of the property portfolio. This meeting also provides new trustees with an opportunity to ask any questions they may have on the nature and operations of the business, and on the implementation of the Trust's business strategy.

Ongoing Education

In addition, the Trust provides trustees with ongoing education and information sessions to ensure that they remain current with respect to the Trust's financial condition, operations, current trends and other matters related to the advancement of the success of the Trust and the implementation of the Trust's long-term strategies.

- At each quarterly meeting of the board of trustees, the President and Chief Executive Officer and Chief Financial Officer make a detailed presentation to the board with respect to the Trust's operating performance and financial results. The President and Chief Executive Officer also provides a comprehensive review of the Trust's current and foreseeable opportunities and challenges, market conditions and market trends.

- To educate the trustees on the operations of the Trust, members of the Trust's management make presentations to the board on operational strategy and initiatives, including a review of the competitive environment for acquisitions, dispositions and development activity, local market trends, and the Trust's performance relative to its peers.

- Every year, the board and certain members of management meet for a strategy session. At these meetings, management debriefs the board on the properties and local market conditions across the Trust's portfolio.

- Internal education on topics affecting the Trust, including changes to compensation disclosure requirements, environmental regulations and accounting standards, are provided on an ongoing basis.

- Trustees participate in property tours with senior management on a periodic basis.

  In 2011:

- The trustees held their first quarterly meeting at the Trust's regional office in Montréal, Québec, followed by a site tour of certain of the Trust's properties in and around Montréal. Following the third quarterly meeting in Toronto, Ontario, the trustees toured part of the Trust's portfolio in southwestern Ontario. On each tour, the trustees were accompanied by regional management and met with the on-site property managers to discuss operations at the properties visited.

- Management invited Toronto-Dominion Bank to attend a board meeting organized for the purpose of educating the trustees with respect to the current interest rate climate and options for the Trust with respect to entering into hedging instruments.

- The Trust's insurance advisors, Hub International, attended a meeting of the trustees to present on the Trust's insurance coverage and opportunities to optimize such coverage.

Nomination of Trustees

The Trust has a Compensation and Governance Committee with nominating responsibilities. The Compensation and Governance Committee is required, as necessary or appropriate, to establish qualifications for trustees and officers, and procedures for identifying possible nominees who meet these criteria. In doing so, it should consider desired competences and skills and the appropriate size of the board, analyze the current skills and competences of the board, the needs of the board of trustees when vacancies arise on the board and identify and recommend nominees who meet such needs. The Compensation and Governance Committee believes that nominees for the board of trustees should possess established skill sets, in particular with respect to management, leadership, governance, financial acumen, and real estate.

The Compensation and Governance Committee also has the responsibility of recommending the resignation or removal of trustees or officers where their current or past conduct is or has been improper or reasonably likely to adversely affect the assets of the Trust or its reputation.

The Compensation and Governance Committee is composed entirely of independent trustees.

Ethical Business Conduct

Effective November 11, 2005, the Compensation and Governance Committee adopted a code of business ethics and conduct (the "**Code of Business Ethics and Conduct**"), as amended November 13, 2009, that applies to all employees, trustees and officers of the Trust.

The principles outlined in the code are intended to:

(i) establish a minimum standard of conduct by which all employees, trustees and officers are expected to abide;

(ii) protect the business interests of the Trust and its employees, trustees and officers;

(iii) maintain the Trust's reputation for integrity; and

(iv) facilitate compliance by the Trust employees, trustees and officers with applicable legal and regulatory obligations.

The Code of Business Ethics and Conduct addresses honesty and integrity, following the law, conflicts of interest, workplace behaviour, confidentiality, privacy and protecting the Trust's assets, whistle-blower procedures, information security, disclosure controls and internal controls.

The Compensation and Governance Committee reviews the code annually as well as the process for administering the Code of Business Ethics and Conduct and compliance with the Code of Business Ethics and Conduct. The Compensation and Governance Committee monitors compliance with the Code of Business Ethics and Conduct primarily through the use of surveys sent to all employees of the Trust on an annual basis and reports from management. Any changes to the Code of Business Ethics and Conduct are considered by the board for approval. The Code of Business Ethics and Conduct is available on SEDAR under the Trust's profile at www.sedar.com.

In addition, the Trust's Declaration of Trust requires that if a trustee or officer of the Trust is a party to a proposed or existing material contract or transaction with the Trust, or is a director or officer of, or has a material interest in, a person who is a party to a proposed or existing material contract or transaction with the Trust, that such trustee or officer promptly disclose such conflict of interest in writing to the trustees. Except in limited circumstances, a trustee who has a conflict of interest may not vote on any resolution to approve such a contract or transaction.

Compensation

The Compensation and Governance Committee reviews and recommends for board approval, the Trust's trustee compensation policy and practices. The Compensation and Governance Committee considers many factors, including whether compensation fairly reflects the responsibilities and risks involved. The Compensation and Governance Committee may retain an independent external consultant to provide data and advice to the Compensation and Governance Committee on the appropriateness of its trustee compensation policy and levels, particularly in light of the number of meetings and amount of time required to be spent by the trustees to fulfill their board and committee obligations.

President and Chief Executive Officer Compensation

The compensation paid to the President and Chief Executive Officer consists of a base salary supplemented by performance incentives, as per the terms of Mr. Schwartz's Executive Contract. The Compensation and Governance Committee was directly involved in the negotiation and settlement of the terms of the Executive Contract for the President and Chief Executive Officer. In determining the appropriate terms of the Executive Contracts, the Compensation and Governance Committee considered the following objectives: (i) retaining executives such as the President and Chief Executive Officer who is critical to the success of the Trust and the enhancement of Unitholder value; (ii) providing fair and competitive compensation; and (iii) balancing the interests of management and Unitholders of the Trust. The Compensation and Governance Committee retained and received the benefit and advice of independent and qualified executive compensation consultants in connection with its negotiation of the Executive Contracts in 2005.

Bonus compensation for the President and Chief Executive Officer for the 2011 year was determined based upon seventy percent (70%) quantitative and thirty percent (30%) qualitative measures as follows: (a) the seventy percent (70%) quantitative is based on NFFO per Unit achieved by the Trust; and (b) the thirty percent (30%) qualitative is based upon an assessment of the Compensation and Governance Committee and individual performance in relationship to goals established for the financial year.

Assessments

The board of trustees evaluates and reviews its own performance and that of its committees and its trustees regularly. The board delegated this function to the Compensation and Governance Committee which, under its Charter, is required to conduct an annual assessment of the effectiveness of the trustees and the board as a whole, and the executive officers. The Compensation and Governance Committee may retain an external consultant to assist in conducting this assessment.

The assessment process for the 2011 financial year is currently in progress. In connection with this assessment, the trustees participated in a review process overseen by the Compensation and Governance Committee to assess the performance of the board and its committees, which included a trustee self-assessment and peer review evaluation. In consultation with the senior management of the Trust, the Chair of the Compensation and Governance Committee developed questionnaires for the trustees to assist in reviewing their own and each others' performance against their mandate and other criteria. The questionnaires covered a range of dimensions such as board skills, board strategy, board structure and board committees. The data obtained from the questionnaires, and individual interviews which will be conducted by the Chair of the Compensation and Governance Committee, will be compiled, analyzed and scored by the Chairman of the Compensation and Governance Committee, culminating in a formal report to the Compensation and Governance Committee and the full board of trustees. The Chair of the Compensation and Governance Committee will then discuss the overall results and individual trustee performance with the Chairman and with each respective trustee with respect to the result of the assessment of their individual performance. The report prepared by the Chairman of the Compensation and Governance Committee will identify general improvement opportunities to facilitate the greater functioning of the board and its committees.

INDEMNIFICATION OF TRUSTEES AND OFFICERS

The Trust indemnifies the trustees and officers against certain losses arising from claims against them for certain of their acts, errors or omissions as such. The Trust maintains liability insurance for its trustees and officers. The policy provides insurance for trustees and officers of the Trust in respect of certain losses arising from claims against them for certain of their acts, errors or omissions in their capacities as trustees or officers. The Trust is also insured against any loss arising out of any payment that it may be required or permitted by law to make to trustees or officers in respect of such claims. The policy limit for such insurance coverage applicable to the Trust was $30 million per occurrence with a $75,000 deductible and $40 million for trustees and officers per occurrence with no deductible. The premium (excluding applicable taxes) paid by the Trust for the period ending December 31, 2011 was $229,889.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

None of the trustees or executive officers of the Trust who have been a trustee or executive officer since the commencement of the Trust's last financial year, nominees for election as trustees of the Trust, and no associate or affiliate of any of the foregoing, has any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the meeting other than the election of trustees or the appointment of auditors other than as disclosed herein.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the year ended December 31, 2011, the Trust incurred construction management fees of $1.7 million (excluding applicable taxes and reimbursable costs of $0.7 million) (based on 4.5% of construction costs up to $20,000,000, 3.0% for the next $15,000,000 and 1.0% thereafter) in consideration for construction management services provided by a company owned by Mr. Schwartz and Mr. Stein, both of Toronto, Ontario, in connection with the Trust's property capital investment improvement program. An independent review of these fees was conducted in 2010 and completed in the first quarter of 2011 by Altus Helyar Cost Consulting, which report concluded that such fees are at or below current market conditions in the provinces where the work is performed. Effective January 1, 2012, the Trust terminated its construction management agreement with Mr. Schwartz and Mr. Stein and has entered into a construction management agreement on substantially similar terms with a new non-related party, in which Mr. Schwartz and Mr. Stein do not hold an interest.

For the year ended December 31, 2011, the Trust incurred a total rent expense for head office space, including operating costs, in the amount of $0.8 million payable to a company in which Mr. Schwartz has an eighteen percent (18.0%) beneficial interest.

INFORMATION ON THE TRUST'S AUDITOR

PricewaterhouseCoopers LLP has been the Trust's auditor since the date of the initial public offering on May 21, 1997. For the year ended December 31, 2011, PricewaterhouseCoopers LLP has advised that they are independent with respect to the Trust within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

For further information on auditor's fees, please see Section 18 of the Trust's Annual Information Form dated March 30, 2012, which can be accessed on SEDAR under the Trust's profile at www.sedar.com.

GENERAL

The consolidated financial statements of the Trust for the financial year ended December 31, 2011, together with the report of the auditors thereon, will be presented to Unitholders at the Meeting for their consideration.

ADDITIONAL INFORMATION

Additional information relating to the Trust is available on SEDAR under the Trust's profile at www.sedar.com. Unitholders may contact the Chief Financial Officer of the Trust at (416) 861-9404 to request copies of the Trust's consolidated financial statements and management's discussion and analysis.

Financial information is provided in the Trust's comparative consolidated financial statements and management's discussion and analysis for its most recently completed financial year which are available on SEDAR under the Trust's profile at www.sedar.com.

APPROVAL OF TRUSTEES

The contents and the sending of this Circular have been approved by the trustees of the Trust.

DATED at Toronto this 2nd day of April, 2012.

On behalf of the trustees of
CANADIAN APARTMENT PROPERTIES
REAL ESTATE INVESTMENT TRUST

(Signed) THOMAS SCHWARTZ
President and Chief Executive Officer

SCHEDULE "A"

RESOLUTION OF THE UNITHOLDERS OF CANADIAN APARTMENT PROPERTIES REAL ESTATE INVESTMENT TRUST

AMENDMENTS TO THE TRUST'S EQUITY INCENTIVE PLANS

RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The maximum number of units ("**Units**") of Canadian Apartment Properties Real Estate Investment Trust (the "**Trust**") issuable under all of the Trust's equity incentive plans, substantially as described in the Management Information Circular dated April 2, 2012 of the Trust which accompanied the Notice of Meeting dated April 2, 2012, be and is hereby amended from an aggregate amount of 7,000,000 Units to an aggregate amount equal to, at all times, ten percent (10%) of the number issued and outstanding of Units of the Trust, and all such amendments to the equity incentive plans required to give effect to the foregoing be and are hereby authorized and approved.

2. Any trustee or officer of the Trust be and is hereby authorized to take all such further actions and to execute and deliver all such further instruments and documents, in the name and on behalf of the Trust as may be necessary, proper or advisable in order to carry out and give effect to the foregoing.

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