SUMMIT INDUSTRIAL INCOME REIT

(Formerly Proventure Income Fund)
Consolidated Financial Statements
For the years ended December 31, 2012 and 2011

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For the years ended December 31, 2012 and 2011

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Independent Auditor's Report

To the Shareholders of Summit Industrial Income REIT

We have audited the accompanying consolidated financial statements of Summit Industrial Income REIT (formerly Proventure Income Fund), which comprise the consolidated balance sheet as at December 31, 2012, and the consolidated statements of income and comprehensive income, changes in unitholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Summit Industrial Income REIT as at December 31, 2012 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matter

The consolidated financial statements of Summit Industrial Income REIT for the year ended December 31, 2011, were audited by another auditor who expressed an unmodified opinion on those statements on March 26, 2012.

Deloitte LLP

Chartered Accountants
Halifax, Nova Scotia
April 4, 2013

SUMMIT INDUSTRIAL INCOME REIT
CONSOLIDATED BALANCE SHEETS
As at December 31, 2012 and 2011
(In thousands of Canadian dollars)

	Note	**December 31, 2012**	December 31, 2011 Restated *	January 1, 2011 Restated *
Assets				
Non-current assets				
Investment properties	7	**$ 75,674**	$ 11,956	$ 37,261
		75,674	11,956	37,261
Current assets				
Investment properties held for sale	7	**3,700**	26,327	–
Accounts receivable	8	**207**	71	159
Other receivables from related parties	13	**–**	–	17,158
Prepaid expenses, deposits, and deferred financing costs	8	**1,175**	–	–
Cash		**815**	360	625
		5,897	26,758	17,942
Total assets		**$ 81,571**	$ 38,714	$ 55,203
Liabilities				
Non-current liabilities				
Loans and borrowings - non-current	9	**$ 32,817**	$ 6,468	$ 18,351
		32,817	6,468	18,351
Current liabilities				
Loans and borrowings - current	9	**1,614**	806	1,052
Loans and borrowings held for sale	9	**2,743**	11,538	–
Trade and other accrued liabilities		**736**	476	214
Other liabilities	13	**1,097**	2,730	2,728
Security deposits		**375**	23	23
Income taxes liability		–	390	–
Distribution payable		**–**	–	4,334
Preferred units payable	10	**1,125**	1,125	7,739
		7,690	17,088	16,090
Total liabilities		**40,507**	23,556	34,441
Unitholders' equity				
Unitholders' equity		**41,064**	15,158	20,762
		41,064	15,158	20,762
Total liabilities and equity		**$ 81,571**	$ 38,714	$ 55,203

The accompanying notes are an integral part of these consolidated financial statements.

Approved by the Board of Trustees on April 4, 2013

"Lou Maroun" "Jim Tadeson"

Trustee Trustee

* See note 4

SUMMIT INDUSTRIAL INCOME REIT
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
For the years ended December 31, 2012 and 2011
(In thousands of Canadian dollars, except per unit amounts)

	Note	2012	2011 Restated *
Rentals from investment properties	14	**$ 2,497**	$ 3,388
Property operating expenses		**517**	39
		1,980	3,349
Other income			
Other income	6	**14**	83
Finance income		**–**	707
Gain on sale of investment properties and other assets		**157**	–
		171	790
Other expenses			
General and administrative		**457**	617
Finance costs		**705**	1,739
		1,162	2,356
Income before income taxes and fair value adjustments to investment properties		**989**	1,783
Income taxes	17	**83**	390
Income before fair value adjustments to investment properties		**906**	1,393
Fair value adjustments to investment properties	7	**7,661**	20
Net income and comprehensive income		**$ 8,567**	$ 1,413
Earnings per unit			
Basic	11	**$ 0.311**	$ 0.182
Diluted	11	**$ 0.311**	$ 0.182

The accompanying notes are an integral part of these consolidated financial statements.

* See note 4

SUMMIT INDUSTRIAL INCOME REIT
CONSOLIDATED STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY
For the years ended December 31, 2012 and 2011
(In thousands of Canadian dollars)

	Note	Fund units	Retained earnings Restated*	Unitholders' equity Restated*
Beginning balance, January 1, 2011		$ 17,187	$ 3,575	$ 20,762
Comprehensive income		–	1,413	1,413
Distributions	11	–	(11,452)	(11,452)
Units issued through DRIP		289	–	289
Units issued from deferred unit plan		16	(16)	–
Increase in equity from in-kind distribution		4,048	–	4,048
Stock options exercised		105	(7)	98
Ending balance, December 31, 2011		$ 21,645	$ (6,487)	$ 15,158
Beginning balance, January 1, 2012		**$ 21,645**	**$ (6,487)**	**$ 15,158**
Comprehensive income		**–**	**8,567**	**8,567**
Distributions	11	**–**	**(13,347)**	**(13,347)**
Issuance of units under private offerings, net of costs	11	**30,686**	**–**	**30,686**
Ending balance, December 31, 2012		**$ 52,331**	**$ (11,267)**	**$ 41,064**

The accompanying notes are an integral part of these consolidated financial statements.

* See note 4

SUMMIT INDUSTRIAL INCOME REIT
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2012 and 2011
(In thousands of Canadian dollars)

	Note	2012	2011
Operating activities			
Net income		**$ 8,567**	$ 1,413
Add (deduct): Items not affecting cash			
Net finance costs		**705**	1,032
Equity settled share-based payment transactions		**–**	10
Gain on sale of investment properties and other assets		**(157)**	–
Straight-line rent adjustment		**(58)**	–
Fair value adjustments to investment properties		**(7,661)**	(20)
Change in non-cash working capital items		**62**	479
Interest and finance fees paid		**(998)**	(1,171)
		460	1,743
Financing activities			
Advances from related party		**–**	10,675
Repayment of loans and borrowings and other liabilities		**(2,103)**	(589)
Increase in loans and borrowings	9	**31,727**	–
Distribution paid	11	**(13,347)**	(11,452)
Net proceeds from private offerings	11	**30,686**	360
		46,963	(1,006)
Investing activities			
Additions to investment properties		**–**	(1,002)
Proceeds from sale of investment properties and other assets	7, 9	**15,452**	–
Acquisition of investment properties	5, 7	**(61,620)**	–
Deposits on future acquisitions of investment properties		**(800)**	–
		(46,968)	(1,002)
Increase (decrease) in cash and equivalents		**455**	(265)
Cash, beginning of year		**360**	625
Cash, end of year		$ **815**	$ 360

The accompanying notes are an integral part of these consolidated financial statements.

1. Reporting entity

Effective October 3, 2012, Proventure Income Fund changed its name to Summit Industrial Income REIT ("Summit II" or the "Fund" or the "REIT" or the "Trust"). Summit II is a mutual fund trust established under the laws of the Province of Ontario and is domiciled in Canada. The registered office of the Fund is situated at 15 Allstate Parkway, Suite 609, Markham, Ontario, L3R 5B4. The Fund is primarily involved in the commercial leasing of real estate property with 5 property locations across Western Canada and 5 properties in Ontario. The Fund's units are listed on the TSX Venture Exchange and trade under the symbol "SMU.UN".

2. Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Board of Directors authorized the issue of these consolidated financial statements on April 4, 2013.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments which are recorded at fair value in accordance with the REIT's accounting policies set forth in note 3.

The consolidated financial statements are presented in Canadian dollars which is the functional currency of the REIT and its subsidiaries.

(c) Estimates and judgements

In the application of the REIT's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant areas of estimation in the REIT's consolidated financial statements include the determination of the fair value on income properties (note 7), the fair value of financial instruments and allowances for doubtful accounts.

The following are the critical judgements that have been made in applying the REIT's accounting policies and that have the most significant effect on the amounts in the consolidated financial statements:

Leases

The REIT uses judgement in determining whether certain leases, in particular those tenant leases with long contractual terms where the lessee is the sole tenant, are operating or finance leases. The Trust has determined that all of its leases are operating leases.

Compliance with REIT legislation

In order to continue to be taxed as a mutual fund trust, the Fund needs to maintain its REIT status. During the prior years, the Fund undertook certain transactions to qualify as a REIT under the SIFT rules in the Canadian Income Tax Act. The Fund's current and continuing qualification as a REIT depends on its ability to meet the various requirements imposed under the SIFT rules, which relate to matters such as its organizational structure and the nature of its assets and revenues. The Fund applies judgment in determining whether it continues to qualify as a REIT under the SIFT rules.

3. Significant accounting policies

The accounting policies set out below have been applied consistently by all the REIT's entities and to all periods presented in the consolidated statements.

(a) Principles of consolidation

These consolidated financial statements include the accounts of the REIT and its wholly-owned subsidiaries, Summit Industrial Income Holdings Limited Partnership and Summit Industrial Income Operating Limited Partnership and their respective general partners, Summit Industrial Income Holdings GP Ltd. And Summit Industrial Income Corp. Subsidiaries are all entities over which the REIT has the power to control the financial and operating policies so as to benefit from its activities. All intercompany transactions, balances, income and expenses are eliminated in full upon consolidation.

(b) Cash

Cash include balances with banks and short-term deposits with original maturities of three months or less.

(c) Investment properties

Investment properties are comprised primarily of commercial real estate properties held to earn rental income or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. The fair value of investment properties is determined by (1) third-party appraisers who are members of the Appraisal Institute of Canada or by available market evidence where available; or (2) determined internally by the REIT using similar assumptions and valuation principals as used by the external appraisers. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the investment property is derecognised.

(d) Assets held for sale

Non-current assets comprising assets and liabilities that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Trust's accounting policies. Thereafter, the assets are measured at the lower of their carrying amount or fair value less costs to sell.

(e) Income tax

The REIT qualifies as a mutual fund trust under the Income Tax Act (Canada). The Trustees intend to distribute all taxable income directly earned by the REIT to unitholders and to deduct such distributions for income tax purposes.

The legislation relating to the federal income taxation of a specified investment flow-through (''SIFT'') trust or partnership was enacted on June 22, 2007. Under the SIFT rules, certain distributions from a SIFT will not be deductible in computing the SIFTS's taxable income and the SIFT will be subject to tax on such distribution at a rate that is substantially equivalent to the general tax rate applicable to Canadian corporations. However, distributions paid by a SIFT as return of capital should generally not be subject to tax.

3. Significant accounting policies (continued)

Under the SIFT rules, the taxation regime will not apply to a real estate investment trust that meets prescribed conditions relating to the nature of its assets and revenue (the ''REIT Conditions''). The REIT has reviewed the SIFT rules and has assessed their interpretation and application to the REIT's assets and revenue. While there are uncertainties in the interpretation and application of the SIFT rules, the REIT believes that it will meet the REIT conditions and accordingly, no net current income tax expense or deferred income tax assets or liabilities have been recorded in the consolidated statement of income and comprehensive income in respect of the REIT.

(f) Business combinations

For acquisitions meeting the definition of a business, the acquisition method of accounting is used. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests. The excess of the cost of acquisition over the fair value of the REIT's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the REIT's share of the net assets acquired, the difference is recognized directly in the net income as a gain from a bargain purchase.

(g) Revenue recognition

The REIT retains substantially all the risks and rewards of ownership of its investment properties and therefore accounts for all of its leases with its tenants as operating leases. Revenue is recorded once the tenant has commenced its lease and has the right to the use of the investment property. Rental revenue, including any incentives that are offered or incurred by the REIT in arranging tenant leases are recognized as revenue on a straight-line basis over the term of the lease which ranges from one to ten years. Rental revenue is recorded based on the amount received or receivable.

(h) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument to another entity. Financial assets and financial liabilities, including derivatives, are recognized on the consolidated balance sheet at the time the REIT becomes a party to the contractual provisions. Upon initial recognition, financial instruments are measured at fair value and for the purpose of subsequent measurement, financial instruments are allocated into one of the following categories: fair value through profit or loss; held-to-maturity investments; available for sale; loans and receivables and other financial liabilities. The REIT's financial assets and liabilities consist primarily of cash and cash equivalents, accounts receivable, trade and other accrued liabilities, security deposits, loans and borrowings and preferred units payable. The REIT has designated its financial instruments as follows:

Cash and cash equivalents	Loans and receivable
Accounts receivable	Loans and receivable
Trade and other accrued liabilities	Other financial liabilities
Security deposits	Other financial liabilities
Loans and borrowings	Other financial liabilities
Preferred units payable	Other financial liabilities

Fair value through profit or loss ("FVTPL") instruments are financial assets and liabilities typically acquired with the intention of generating revenues in the short-term or those designated as FVTPL on initial recognition. Financial instruments designated as FVTPL are measured at fair value, with gains and losses recorded in profit or loss for the period in which the change occurs. Transaction costs attributed to the acquisition of financial assets and liabilities designated as FVTPL are recognized in profit or loss as incurred.

3. Significant accounting policies (continued)

Financial assets classified as loans and receivables are initially recognized at fair value plus any directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method.

Other financial liabilities are initially recognized at fair value plus any directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method. Transaction costs incurred on other liabilities with balances that frequently fluctuate or have not been drawn upon are deferred and amortized over the term of the borrowing.

(i) Provisions

Provisions are recognized when the REIT has a present obligation (legal or constructive) as a result of a past event, it is probable that the REIT will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(j) Impairment

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the REIT on terms that the REIT would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The REIT considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics. In assessing collective impairment the REIT uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3. Significant accounting policies (continued)

(k) Unit based payments

The grant date fair value of unit-based payment awards are recognized as an expense, with a corresponding increase in equity, over the period that the holders unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For unit-based payment awards with non-vesting conditions, the grant date fair value of the unit-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(l) Earnings per unit

Basic earnings per unit are computed by dividing earnings by the weighted average number of units outstanding for the period. Diluted earnings per unit are calculated giving effect to the potential dilution that would occur if unit options or other dilutive instruments were exercised or converted to units. The dilutive impact is determined by assuming that any proceeds upon the exercise or conversion of dilutive instruments, for which market prices exceed exercise price, would be used to purchase units at the average market price of the units during the period.

(n) Future Accounting Policy Changes

The International Accounting Standards Board ("IASB") has issued the following new standards and amendments to existing standards that will be relevant to the Trust in preparing its consolidated financial statements in future periods.

IFRS 9 – Financial Instruments ("IFRS 9")

This standard will replace IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial impairment methods in IAS 39. The Trust has not yet determined the impact of IFRS 9 on its consolidated financial statements.

IFRS 10 – Consolidated Financial Statements ("IFRS 10")

This standard establishes principles for the preparation of the Trust's consolidated financial statements when it controls one or more other entities. The standard defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements of the Trust.

The standard also sets out the accounting requirements for the preparation of consolidated financial statements. The Trust does not expect that this standard will result in a material impact on the financial statements.

IFRS 11 – Joint Arrangements ("IFRS 11")

This new standard replaces IAS 31 – Interests in Joint Ventures. The new standard eliminates the option to proportionately consolidate interests in certain types of joint ventures. The standard classifies joint arrangements into two types: (1) joint operations; and (2) joint ventures. IFRS 11 requires the use of equity accounting for interest in joint ventures, eliminating the existing policy choice of proportionate consolidation for jointly controlled entities under IAS 31. Entities that participate in in joint operations will follow accounting much like that for jointly controlled assets and jointly controlled operations under IAS 31.

3. Significant accounting policies (continued)

IFRS 12 – Disclosure of Interests in Other Entities ("IFRS 12")

The standard applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. The standard requires the Trust to disclose information that enables users of financial statements to evaluate: (1) the nature of, and risks associated with, the Trust's interests in other entities; and the effects of those interests on the Trust's financial position, financial performance and cash flows. The Trust does not expect that this standard will result in a material impact on the consolidated financial statements.

IFRS 13 – Fair Value Measurement ("IFRS 13")

The standard replaces the current guidance on fair value measurement in existing IFRSs with a single standard. The standard defines fair value, provides guidance on its determination and requires disclosures about fair value measurements but does not change the requirements about the items that should be measured and disclosed at fair value.

Each of the above standards is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted with the exception of IFRS 9 which is effective for annual periods beginning on or after January 1, 2015. The Trust does not expect that these amendments will result in a material impact to the financial statements.

4. Comparative information

(a) Change in accounting policy

On September 27, 2012, the Fund changed its accounting policy with respect to the subsequent measurement of investment property from the cost model to the fair value model, with changes in fair value recognized in profit or loss. The Fund believes that subsequent measurement of these assets assists users to better understand the risks associated with these assets and is consistent with industry practice in relation to these types of assets. The change in accounting policy was applied retrospectively. The following table summarises the adjustments made to the consolidated balance sheets and the impact on net income and comprehensive income of the implementation of the new accounting policy.

(In $ thousands)	Investment properties held for sale	Investment property	Retained earnings
Balance as reported as January 1, 2011	$ –	$ 36,196	$ 2,510
Effect of revaluation on January 1, 2011	–	1,065	1,065
Restated balance at January 1, 2011	$ –	$ 37,261	$ 3,575
Balance as reported as December 31, 2011	$ 25,235	$ 10,898	$ (8,637)
Effect of revaluation on January 1, 2011	746	319	1,065
Impact on net income and comprehensive income	346	739	1,085
Restated balance at December 31, 2011	$ 26,327	$ 11,956	$ (6,487)

	2011	2010
Change in fair value of investment properties held for sale	$ (400)	$ –
Fair value adjustment to investment properties	420	–
Reversal of depreciation	1,065	1,065
Impact on net income and comprehensive income	$ 1,085	$ 1,065

4. Comparative information (continued)

(b) Reclassification

Certain of the amounts presented in the Statement of Income and Comprehensive Income for the year ended December 31, 2011 have been reclassified in the comparative period in the Statement of Income and Comprehensive Income for the year ended December 31, 2012 for reporting purposes. Operating expenses in the amount of $617 thousand for the year ended December 31, 2011 were reclassified to general and administrative due to the nature of the expenses.

5. Acquisitions

Acquisitions of income properties completed during the year ended December 31, 2012 are the following:

Property	Property type	Ownership interest	Date acquired		Acquisition cost (1) (in $ thousands)
501 Palladium Drive, Ottawa, ON	Industrial	100%	27-Sep-12	$	24,278
200 Iber Road, Ottawa, ON	Industrial	100%	27-Sep-12		7,587
240 Laurier Boulevard, Brockville, ON	Industrial	100%	27-Sep-12		14,518
710 Neal Drive, Peterborough, ON	Industrial	100%	5-Oct-12		5,401
134 Bethridge Road, Etobicoke, ON	Industrial	100%	27-Dec-12		9,836
				$	61,620

(1) Acquisition costs includes acquisition-related expenses

(In $ thousands)		Cash (1)		Mortgage financing		Total
501 Palladium Drive, Ottawa, ON	$	24,278	$	-	$	24,278
200 Iber Road, Ottawa, ON		7,587		-		7,587
240 Laurier Boulevard, Brockville, ON		14,518		-		14,518
710 Neal Drive, Peterborough, ON		5,401		-		5,401
134 Bethridge Road, Etobicoke, ON		4,431		5,405		9,836
	$	56,215	$	5,405	$	61,620

(1) Cash includes cash and/or cash drawn from the bank credit facility and is inclusive of acquisition-related expenses.

6. Other income

Other income for the years ended December 31, 2012 and 2011 are comprised of the following:

(In $ thousands)		**2012**		2011
Guarantee fees	**$**	**14**	$	83

7. Investment properties

In January 2012, the Fund disposed of certain of its investment properties to Cervus Equipment Corporation ("Cervus"), a related party for $26.3 million, which is the amount agreed to between the two parties. In addition, in June 2012, the Fund disposed of an additional property to Cervus for $255 thousand, which is the amount agreed to between the two parties. The transactions with Cervus were recorded at the exchange amount. In November 2012, the Fund disposed of its property in Russell Manitoba for a sales price of $1.6 million.

The Fund's investment property in Saskatoon, Saskatchewan, has been made available for sale and is recorded at its fair value less cost to sell at December 31, 2012 and classified in investment properties held for sale.

			2012			2011
(In $ thousands)	**Investment properties**	**Investment properties held for sale**	**Total**	Investment properties	Investment properties held for sale	Total
Balance at beginning of period	**$ 11,956**	**$ 26,327**	**$ 38,283**	$ 37,261	$ –	$ 37,261
Additions:						
Acquisition of investment properties	**61,620**	**–**	**61,620**	–	–	–
Transfer from investment properties to investment properties held for sale	**(3,700)**	**3,700**	**–**	(26,727)	26,727	–
Additions to investment properties	**–**	**–**	**–**	1,002	–	1,002
Dispositions	**(1,863)**	**(26,327)**	**(28,190)**	–	–	–
Fair value gains (losses)	**7,661**	**–**	**7,661**	420	(400)	20
Balance at end of period	**$ 75,674**	**$ 3,700**	**$ 79,374**	$ 11,956	$ 26,327	$ 38,283

Approximately $59.3 million of the $79.4 million or 75% of the properties were appraised by third party valuation professionals in 2012. The fair value of the remaining investment properties was determined internally by the Fund using similar assumptions and valuation principals as used by the external appraisers. The properties were valued primarily using the "Direct Capitalization" method. This method requires certain key assumptions, including rental income, operating expenses, vacancies and inflation rates to be made with respect to the Fund's investment properties. The capitalization rate is determined for each property based on available market information related to the sale of similar buildings within the same geographic locations

The key valuation metrics for investment properties are as follows:

			2012			2011
	Maximum	**Minimum**	**Weighted Average**	Maximum	Minimum	Weighted Average
Capitalization rate	**12.00%**	**5.99%**	**7.01%**	11.81%	6.13%	8.81%

Fair values are most sensitive to change in capitalization rates. A 0.50% increase in the weighted average capitalization rate for income properties would decrease fair value by $5.30 million and a 0.50% decrease would increase fair value by $6.10 million.

8. Accounts receivable, prepaid expenses and deferred financing costs

The components of amounts receivable, prepaid expenses and deferred financing costs are as follows:

(In $ thousands)		**2012**		2011
Tenant receivables	**$**	**88**	$	10
Other receivables		**119**		61
	$	**207**	$	71
Prepaid expenses and deposits	**$**	**956**	$	–
Deferred financing costs		**219**		–
	$	**1,175**	$	–

9. Loans and borrowings

(In $ thousands)		**2012**		2011
Farm Credit Canada ("FCC"), due December 8, 2013, mortgage with blended monthly installments of $58 including interest at the rate of 6.95% per annum	**$**	**-**	$	6,266
Canadian Western Bank, due April 1, 2013, mortgage with blended monthly installments of $11 including interest at the rate of 4.12% per annum		**1,393**		1,458
FCC, due March 8, 2016, mortgage with blended monthly installments of $41 including interest at FCC's variable mortgage rate which is currently 4% per annum		**3,657**		10,691
FCC, due January 8, 2016, mortgage with monthly installments of interest at FCC's variable mortgage rate, which is currently 4% per annum		**640**		397
CMLS Financial Ltd., due January 1, 2018, mortgage with blended monthly installments of $28 including interest at the rate of 3.75% per annum		**5,405**		-
Term mortgages (a)	**$**	**11,095**	$	18,812
Revolving operating facility (b)		**26,079**		–
	$	**37,174**	$	18,812
Loans and borrowings held for sale	**$**	**2,743**	$	11,538
Current		**1,614**		806
Non-current		**32,817**		6,468
	$	**37,174**	$	18,812

9. Loans and borrowings (continued)

(a) Term mortgages

As described in note 7, in January, 2012 the Fund sold land and buildings to Cervus and Cervus assumed certain mortgage liabilities related to those assets. The sales price was at fair value and aggregated $26.3 million, of which $11.5 million was an assumption of Farm Credit Canada mortgage debt. In June, 2012, the Fund disposed of an additional property to Cervus for $255 thousand, and repaid $160 thousand of its Farm Credit Canada mortgage debt.

In addition, approximately $1.2 million of its Farm Credit Canada mortgage was repaid on disposition of its investment property in Russell, Manitoba in December 2012.

Term mortgages bear interest at a weighted average effective rate of 3.89%. The term mortgages are secured by first registered mortgages over specific properties and first general assignments of leases, insurance and registered chattel mortgages.

Principal repayment requirements for term mortgages are as follows:

(In $ thousands)	
2013	$ 4,357
2014	230
2015	239
2016	1,429
2017	155
Thereafter	4,685

(b) Revolving operating facility

The revolving operating facility with $26.1 million outstanding is interest bearing at a variable interest rate based on bank prime plus 1% or banker's acceptance rates plus 2%, is secured by first charges over specific investment properties and first general assignment of leases and insurance and expires on September 27, 2014. The maximum available amount that can be drawn on the credit facility as at December 31, 2012 is $32 million.

10. Preferred units payable

(In $ thousands)	**2012**	2011
225 Class C preferred units, distribution of 8% per annum, non-convertible and redeemable.	**1,125**	1,125

During the year ended December 31, 2012 the Fund recorded $90 thousand (2011 - $90 thousand) of interest expense related to the Class C preferred units.

11. Unitholders' equity

(a) Authorized

The Fund is authorized to issue an unlimited number of units. Each unit represents a single vote at any meeting of unitholders and entitles the unitholder to receive a pro rata share of all distributions.

(b) Issued and outstanding

The following is a continuity of the Fund's issued and outstanding units

(In thousands)	Number of units		Carrying amount
Balance December 31, 2010 as a result of reclassification from liability	7,638	$	17,187
Increase in equity as a result of in-kind distribution	–		4,048
Issuance of units from DRIP	149		289
Issuance of units from deferred unit plan	14		16
Exercise of unit options	50		105
Balance December 31, 2011	7,851	$	21,645

(In thousands)	Number of units		Carrying amount
Balance December 31, 2011	7,851	$	21,645
Issuance of units September 25, 2012	8,200		2,337
Issuance of units September 27, 2012	66,667		28,349
Balance December 31, 2012	**82,718**	**$**	**52,331**

On September 25, 2012 the Fund completed a private offering of 8,200,000 units at a price of $0.32 per unit for proceeds of $2.6 million. On September 27, 2012 the Fund completed a second private offering of 66,666,667 units at a price of $0.45 per unit for gross proceeds of $30 million. The two offerings raised a total of $32.6 million and incurred issue costs of $1.9 million for net proceeds of $30.7 million.

(c) Distributions

The Fund made the following distributions during the year:

(In $ thousands, except per unit amounts)		**2012**		2011
$1.70 per unit in January 2012	**$**	**13,347**	$	–
$0.05 per unit in March 2011		–		382
$1.41 per Fund unit in November 2011		–		11,070
Distributions recorded in equity	**$**	**13,347**	$	11,452

11. Unitholders' equity (continued)

(d) Per unit amounts

The weighted average number of units are as follows:

(In thousands of units)	**2012**	2011
Issued units, beginning of period	**7,851**	7,638
Effect of units issued under the DRIP plan	**–**	106
Effect of units issued under the deferred unit plan	**–**	1
Effect of units issued under the unit option plan	**–**	24
8.2 million units issued September 25, 2012	**2,196**	–
66.7 million units issued September 27, 2012	**17,486**	–
Total weighted average number of units outstanding	**27,533**	7,769

As at December 31, 2012 and 2011, the Fund has no units or instruments outstanding that would have a dilutive effect on earnings per unit.

(e) Deferred unit and option plans

Deferred unit plan

During the year ended December 31, 2011, all outstanding deferred units were issued Fund units valued at $16 thousand. There were no deferred units issued in 2012 (2011 - nil) and the plan was terminated.

Unit option plan

During 2011, the Fund issued 15,000 unit options under its unit option plan which vested immediately and as a result, $12 thousand of compensation expense was recorded. During the year ended December 31, 2011, 50 thousand unit options were exercised and there were no unit options outstanding at December 31, 2011. As a result of the exercise of the unit options, $19 thousand was recorded as an increase in Fund units and a decrease in retained earnings. There were no options issued in 2012 and the plan was terminated.

(f) Dividend reinvestment plan

The Fund had a Dividend Reinvestment Plan ("DRIP") entitling unitholders to reinvest cash distributions in additional units which was terminated in 2012. The DRIP allowed unitholders to reinvest distributions into new units at 95 percent of the average unit price of the previous 10 trading days prior to distribution. During the year ended December 31, 2012, nil units were issued under this plan (2011 - 149 thousand units).

12. Fair value of financial instruments

The fair value of financial instruments is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction based on the current market for instruments with the same risks, principal and remaining maturity.

The carrying amounts of cash, accounts receivable, trade and other accrued liabilities, other liabilities, security deposits, preferred units payable, loans and borrowings – current ,and loans and borrowings held for sale approximate their fair values given the short-term maturity of these instruments. The carrying amounts of Loans and borrowings – non-current approximate fair value either because the debt was issued in the current year at prevailing market rates, or because the terms of the debt were revised during the current year at prevailing market rates.

		2012		2011
(In $ thousands)	**Carrying value**	**Fair value**	Carrying value	Fair value
Financial assets				
Cash	**$ 815**	**$ 815**	$ 360	$ 360
Accounts receivable	**207**	**207**	71	71
Financial liabilities				
Loans and borrowings – non-current	**32,817**	**32,817**	6,468	6,468
Loans and borrowings – current	**1,614**	**1,614**	806	806
Loans and borrowings held for sale	**2,743**	**2,743**	11,538	11,538
Trade and other accrued liabilities	**736**	**736**	476	476
Other liabilities	**1,097**	**1,097**	2,730	2,730
Security deposits	**375**	**375**	23	23
Preferred units payable	**1,125**	**1,125**	1,125	1,125

13. Related party transactions

(a) Cervus

Until September 25, 2012 the CEO of the Fund was the Executive Chairman of the Board of Directors of Cervus Equipment Corporation ("Cervus"). He was also the single largest equity holder of the Fund and Cervus. Until September 25, 2012 the Fund and Cervus shared a common Board of Directors. Effective September 25, 2012 as a result of the units issued on that date, the Chairman of Cervus is no longer the CEO of the Fund, he is no longer the controlling shareholder of the Fund, and the Fund does not share a common Board of Directors with Cervus. In addition to transactions discussed elsewhere in these financial statements, the Fund had the following transactions with Cervus while they were still a related party which were recorded at the exchange amount, which is the amount agreed to between the two parties:

(In $ thousands)	**2012**	2011
Income		
Rental income	**$ 267**	$ 2,302
Guarantee fees	**14**	62
Expenses		
Management fees for administration	**23**	23
Interest on advances	**35**	66

13. Related party transactions (continued)

As described in note 7, the Fund sold land and buildings to Cervus and Cervus assumed certain mortgage liabilities related to those assets. The sales price was at fair value and aggregated $26.3 million, of which $11.5 million was an assumption of mortgage debt and the balance of $14.8 million,was in the form of cash in the amount of $13.3 million, and $1.5 million was applied as a reduction in the loan between the Fund and Cervus. As at December 31, 2012, the balance of the loan between the Fund and Cervus is $1.1 million (2011 - $2.7 million), and is included in “other liabilities”. This amount is due on demand and bears interest at the rate of prime plus 0.25% which is the rate agreed to between the parties.

The Fund paid $2.5 thousand per month to Cervus to carry out all administrative and management tasks related to the Fund’s operations until September 25, 2012.

The Fund received a guarantee fee from Cervus equal to 3% per annum for the guaranteed amounts that the Fund has provided to John Deere. This guarantee is a result of guarantees provided to John Deere prior to the establishment of the Fund and for which John Deere released the Fund from the contractual obligation in February 2012.

On December 31, 2010, the Fund sold certain assets and liabilities of the Fund to a private income trust, Prodev Trust (“Prodev”). Prodev was a related party as the trustees and officers of Prodev were the same as those of the Fund. The amount due from Prodev on January 1, 2011 of $17.2 million was due on demand and bore interest at the rate of 8% per annum. The amount owing was received during the year ended December 31, 2011

(b) Management agreement

Pursuant to the terms of the Management Agreement with Sigma Asset Management Limited (formerly Founders Asset Management) (“Sigma” or the “Manager”), Sigma provides Summit II with the services necessary to manage its day-to-day operations. The Management Agreement has an initial term of ten years, subject to earlier termination in certain circumstances, and will be automatically renewed for successive five-year terms.

The Management Agreement sets out the fees payable to the Manager for the services provided, such fees being: A base annual management fee equal to 0.25% of the gross value of Summit II’s assets; an incentive fee for the fiscal year ending December 31, 2013 and onward, equal to 15% of Summit II’s AFFO per unit, in excess of a $0.04 hurdle amount, such hurdle amount to be increased by 1.5% each year; an acquisition fee for the purchase price paid by Summit II on the acquisition of a property equal to 1% of the first $50 million of the purchase price, 0.75% of the next $50 million of the purchase price, and 0.50% of any portion of the purchase price in excess of $100 million, payable so long as the gross book value of the properties owned by Summit II does not exceed $1 billion; a development fee in an amount to be negotiated between Summit II and the Manager, not to exceed the fair market value for comparable services; a property management fee equal to 3.5% of the gross rental income from each multi-tenant property, and 2.5% of the gross rental income from each single-tenant property; a leasing fee equal to $1.00 per rentable square foot only for those properties where the Manager provides leasing services; and a capital expenditures fee equal to 5% of all hard construction costs incurred on any capital project of Summit II, where the Manager is the project manager for the project and the hard construction costs of the project are in excess of $200 thousand.

The Manager can elect to take all (or any percentage of all) fees payable to it under the Management Agreement (and any property management agreement) in the form of units, rather than in cash. Any such units issued will be issued at a price per unit equal to the greater of (a) 95% of the weighted average closing price of the units for the five previous days on the exchange on which the units are most actively traded during that period, and (b) such price stipulated by such stock exchange, to a maximum of the weighted closing price of the units for the five previous days on the exchange on which the units are most actively traded during that period.

13. Related party transactions (continued)

Under the terms of the Management Agreement the Fund has incurred the following fees as of December 31, 2012:

(In $ thousands)		2012		2011
Acquisition fees (capitalized to investment properties)	**$**	**595**	$	–
Asset management fees		**42**		–
Property management		**44**		–
	$	**681**	$	–

Included in trade and other accrued liabilities at December 31, 2012 is an amount of $123 thousand (2011 – $nil) which is due to Sigma.

14. Revenues from income producing properties

Revenues recognized from income producing properties for the years ended December 31, 2012 and 2011 were $2.5 million and $3.4 million respectively. The Fund leases commercial properties under operating leases with lease terms of between one and ten years.

As at December 31, 2012 the Fund is entitled under its non-cancellable tenant operating leases to the following minimum future receipts:

	Within 12 months	2 to 5 years	Beyond 5 years
Operating lease revenue	$ 5,354,000	$ 17,748,000	$ 14,761,000

15. Risk management

In the normal course of business, the REIT is exposed to a number of risks that can materially affect its operating performance.

(a) Interest rate risk

The REIT is exposed to interest rate risk when funds are drawn under the revolving operating facility and variable rate mortgages, which have a floating rate of interest. An increase in interest rates would increase the interest cost of the REIT's loans and have an adverse effect on the REIT's net income and comprehensive income and earnings per unit.

At December 31, 2012, the Fund has $30.4 million (2011 - $10.7 million) of variable rate loans and borrowings. A change of 100 basis points in interest rates would have increased or decreased net income and comprehensive income for the year ended December 31, 2012 by approximately $304 thousand (2011 - $194 thousand). The REIT intends to structure its fixed rate financing so as to stagger the maturities of its mortgages, thereby minimizing exposure to future interest rate fluctuations.

15. Risk management (continued)

(b) Credit risk

Credit risk arises from the possibility that tenants may experience financial difficulty and be unable to fulfill their lease commitments. The REIT attempts to mitigate this risk by conducting credit assessments on new lessees, by ensuring that its tenant mix is diversified and by limiting its exposure to any one tenant. The maximum credit risk exposure at December 31, 2012 and 2011 relates to the carrying value of the accounts receivable balance without taking into account any collateral held or other credit enhancements. Collateral held on certain leases are letters of credit or security deposits from the tenants. Refer to note 7 for details of accounts receivable.

(c) Liquidity risk

Liquidity risk arises from the possibility of not having sufficient debt and equity capital available to the REIT to fund future growth, refinance debts as they mature or meet the REIT's payment obligations as they arise. Furthermore, liquidity risk also arises from the REIT not being able to obtain financing or refinancing on favourable terms.

For the year ended December 31, 2012 the REIT's main liquidity requirements arise from ongoing working capital requirements, debt servicing and repayment obligations, capital and leasing expenditures on existing properties, property acquisitions and distributions to unitholders. All of the aforementioned liquidity requirements, except for debt repayment obligations at maturity and property acquisitions, are generally funded from cash flows from operations or from drawing on the REIT's revolving operating facility. Debt repayment obligations (note 9) are generally funded from refinancing the related debt and property acquisitions are generally funded from equity raises as well as obtaining debt financing on the related property. Between capital raises, the REIT may use its revolving operating facility to fund the equity portion of property acquisitions.

The REIT's financial condition and results of operations would be adversely affected if it were unable to obtain financing/refinancing or cost-effective financing/refinancing, or if it were unable to meet its other liquidity requirements from ongoing operating cash flows.

The REIT intends to mitigate its liquidity risk by staggering the maturities of its debt. As well, the REIT's distributions are made at the discretion of the REIT's Trustees. Finally, the REIT does not enter into property acquisitions unless it has secured or is confident that it can secure the appropriate capital (debt and equity) to fund the particular acquisition.

16. Capital management

The Fund's objective when managing its capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide adequate returns for unitholders and to ensure access to sufficient funds for acquisitions. The Fund manages the capital structure and makes adjustments to it in light of changes in economic conditions and the financial requirements of the underlying real estate assets. In order to maintain or adjust the capital structure, the Fund may issue trust units to facilitate business combinations and/or retire financings or may adjust the amount of distributions paid to the unitholders.

16. Capital management (continued)

The revolving operating facility agreement requires the Trust to maintain a debt to aggregate assets ratio no greater than 65%; debt service coverage ratio not less than 1.50 times and minimum adjusted unitholders' equity not less than (i) $20 million plus (ii) 75% of the net proceeds from each offering of equity interests subsequent to September 27, 2012. In addition, the debt agreement with Farm Credit Canada requires the Trust to maintain the total debt to adjusted equity ratio of no greater than 3.5:1. The debt to aggregate assets ratio is also limited to a maximum of 65.0% as per the Declaration of Trust.

These covenants are required to be calculated based on Canadian generally accepted accounting principles ("GAAP"), which is IFRS. As at December 31, 2012, the Trust is in compliance with its financial covenants.

17. Income tax

The Fund is taxed as a mutual fund trust for Canadian income tax purposes. The Fund expects to distribute all of its taxable income to its unitholders, which enables it to deduct such distributions for income tax purposes. As the income tax obligations relating to the distributions are those of the individual unitholder, no provision for income taxes is required on such amounts.

The Canadian Income Tax Act contains rules (i.e. the SIFT Rules) applicable to SIFTS, which generally tax the SIFT on its income from business carried on in Canada and on income (other than taxable dividends) or capital gains from non-portfolio properties (as defined in the Income Tax Act) and the distribution of such income to Unitholders is generally treated as dividends received from a taxable Canadian corporation. If the income is not distributed, the Fund will be taxed on its income. In general, distributions paid as returns of capital will not be subject to this tax.

Income taxes have been recorded during the period of $83 thousand relating to 2011 income (2011 - $390 thousand). The SIFT Rules are not applicable to real estate investment trusts ("REITs") that meet certain specified criteria relating to the nature of its revenue and investments (i.e. the REIT Exemption), however the Fund did not meet this criteria for 2011. The Fund qualifies as a REIT for 2012 and expects to continue to distribute its taxable income and to qualify as a REIT for the foreseeable future. As such, deferred taxes have not been recorded in the consolidated financial statements.

18. Subsequent events

(a) Unit Consolidation

On January 28, 2013, the REIT consolidated all of its issued and outstanding units on the basis of one post consolidation unit for every twelve pre-consolidation unit (the "Consolidation") held as of the record date for the Consolidation, which was announced publicly to unitholders. The Consolidation was effected after receiving approval from the unitholders at a special meeting of unitholders held on January 16, 2013, and after receiving approval from the TSXV. Following the Consolidation, the number of outstanding units was reduced from 82,717,645 to approximately 6,893,110 units.

(b) Public offering

On February 26, 2013, the REIT completed a public offering for gross proceeds of $75.1 million through the issuance of 11,120,000 units at a price of $6.75 per unit. The net proceeds of the offering, will be approximately $70.2 million after deducting the REIT's estimated expenses of the offering of $0.8 million and the underwriters' fee of $4.1 million.

18. Subsequent events (continued)

(c) Property Acquisitions

Summit acquired the following income producing properties for approximately $171.4 million, satisfied using proceeds from the above noted offering and the assumption of new financings totaling $107.5 million:

- On February 28, 2013, two single tenant one-storey buildings located in Edmonton, Alberta, with a combined GLA of 76,163 square feet on a combined 5.5 acre site for a total purchase price of $13.1 million (excluding closing costs). The acquisition was funded from proceeds from the offering and mortgage financing of $8.5 million for a five year term at a rate of 3.22%.
- On March 4, 2013, a complex of three adjoining multi-tenant industrial warehouse buildings located in Scarborough, Ontario, with a combined GLA of 295,086 square feet on a 13.9 acre site for a total purchase price of $21.7 million (excluding closing costs). The acquisition was funded from proceeds from the offering and mortgage financing of $15.0 million for a five year term at a rate of 3.61%.
- On March 6, 2013, a one-storey building located in Aurora, Ontario, having GLA of 322,187 square feet located on a 20.55 acre site for a total purchase price of $27.6 million (excluding closing costs). The acquisition was funded from proceeds from the offering and the Trust’s revolving credit facility.
- On March 11, 2013, a one-story warehouse building located in Moncton, New Brunswick, having a GLA of 169,474 square feet located on a 9.9 acre site for a total purchase price of $20.5 million (excluding closing costs). The acquisition was funded from proceeds from the offering and the assumption of a $13.0 million mortgage with four years of term remaining and an interest rate of 3.70%.
- On March 13, 2013, eight light industrial warehouse buildings located on Brampton, Ontario, comprising a GLA of 1,132,495 square feet on a combined 55 acres for a total purchase price of $88.5 million (excluding closing costs). The acquisition was funded from proceeds from the offering and mortgage financing of $54.0 million with a seven year term at a rate of 3.68%.

(d) Property Disposition

Summit II has entered into an agreement to sell a 30,000 square foot building in Moosomin, Saskatchewan, for a total consideration of $1.7 million. The disposition will result in the pay down of approximately $1.2 million in mortgage debt and $0.5 million due to Cervus.

(e) Revolving Credit Facility

On February 20, 2013, the credit facility was increased to $38 million and on March 11, 2013 it was increased to $55 million with the addition of an acquisition property in Aurora, Ontario, as security.

(f) Distribution

On March 15, 2013, a distribution in the amount of $0.0408 per Unit for Unitholders of record on March 29, 2013 was declared and will be paid on or about April 15, 2013.

(g) Distribution Reinvestment Plan

The Trust announced on March 15, 2013, that it has implemented a Distribution Reinvestment Plan (“DRIP”) whereby registered or beneficial holders of the Trust’s Units who are resident in Canada can acquire additional Trust Units by reinvesting all or a portion of their monthly cash distributions without paying brokerage commissions. In addition, Unitholders who elect to participate in the DRIP will receive a further distribution of Trust Units equal to 5% of each distribution that was reinvested by them.