



Real Estate Potential. *Realized.*



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Morguard Corporation  
Annual Information Form  
For the year ended December 31, 2016

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Dated February 23, 2017

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## TABLE OF CONTENTS

	<u>Page</u>
ITEM 1	CORPORATE STRUCTURE ..... 1
ITEM 2	GENERAL DEVELOPMENT OF THE BUSINESS ..... 2
ITEM 3	NARRATIVE DESCRIPTION OF THE BUSINESS ..... 6
ITEM 4	DIVIDEND POLICY ..... 15
ITEM 5	DESCRIPTION OF CAPITAL STRUCTURE ..... 15
ITEM 6	MARKET FOR SECURITIES ..... 21
ITEM 7	DIRECTORS AND OFFICERS ..... 22
ITEM 8	LEGAL PROCEEDINGS AND REGULATORY ACTIONS ..... 24
ITEM 9	INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS ..... 24
ITEM 10	TRANSFER AGENT AND REGISTRAR ..... 24
ITEM 11	MATERIAL CONTRACTS ..... 24
ITEM 12	INTERESTS OF EXPERTS ..... 24
ITEM 13	AUDIT COMMITTEE INFORMATION ..... 25
ITEM 14	ADDITIONAL INFORMATION ..... 25
APPENDIX A	SELECTED FINANCIAL INFORMATION
APPENDIX B	PROPERTY INFORMATION
APPENDIX C	MANDATE OF THE AUDIT COMMITTEE

### FORWARD-LOOKING STATEMENTS DISCLAIMER

Statements contained herein that are not based on historical or current fact, including without limitation statements containing the words “anticipates,” “believes,” “may,” “continue,” “estimate,” “expects,” and “will” and words of similar import constitute “forward-looking statements”. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, both nationally and in the regions in which the Company operates; changes in business strategy or development/acquisition plans; environmental exposures; financing risk; existing governmental regulations and changes in, or the failure to comply with, governmental regulations; liability and other claims asserted against the Company; and other factors referred to in the Company’s filings with Canadian securities regulators. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not assume the obligation to update or revise any forward-looking statements.

## ITEM 1 CORPORATE STRUCTURE

### 1.1 Corporate Structure of the Issuer

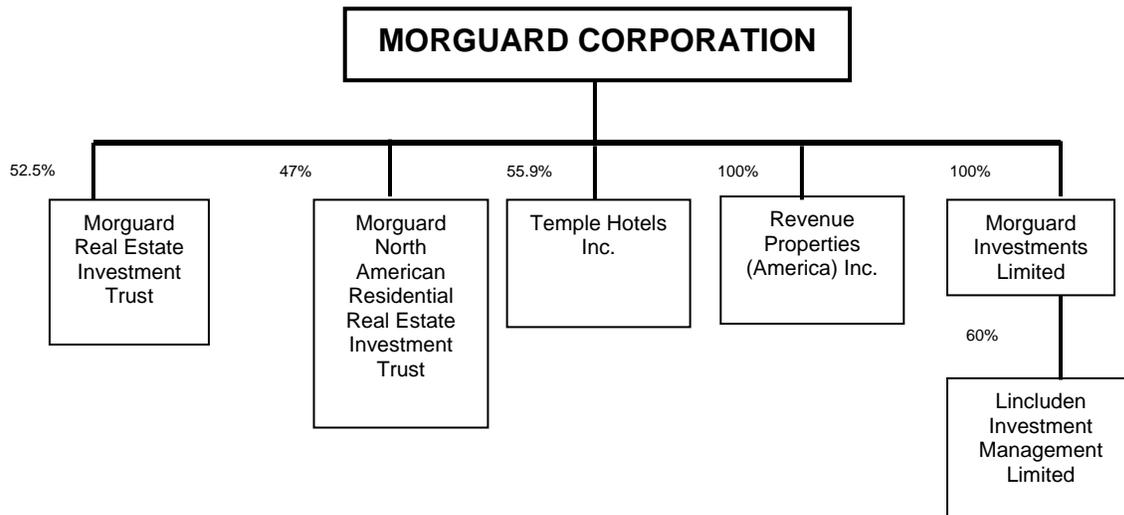
Morguard Corporation ("**Morguard**" or the "**Company**"), was formed by articles of amalgamation under the *Canada Business Corporations Act* ("**CBCA**") on December 29, 2008 as a result of the amalgamation of Morguard Corporation and its wholly-owned subsidiaries, Morguard Investments (Alberta) Limited (federally continued on December 16, 2008), Goldlist Developments Inc. (incorporated on February 1, 1995), Devan Properties Ltd. (amalgamated on August 12, 1999), 3391361 Canada Inc. (incorporated on July 10, 1997) and 3555984 Canada Ltd. (incorporated on November 23, 1998). It had previously been formed by articles of amalgamation under the CBCA on January 1, 2007 as a result of the amalgamation of Morguard and its wholly-owned subsidiaries, Morguard Residential Inc. (federally continued on December 15, 2006), Acktion Capital Corporation (incorporated on July 10, 1997), 3391345 Canada Inc. (incorporated on July 10, 1997) and Orange Properties Ltd. (incorporated on July 27, 1990). Morguard was originally formed by articles of amalgamation on November 30, 1996 as Acklands Limited, later changing its name by articles of amendment to Acktion Corporation (July 18, 1997) and then Morguard Corporation (June 13, 2002). Morguard Residential has been registered and continues to be used as a business name by Morguard.

The registered office of the Company is located at 55 City Centre Drive, Suite 1000, Mississauga, Ontario, L5B 1M3.

*All information contained in this Annual Information Form is presented as at February 23, 2017 unless otherwise specified.*

### 1.2 Intercorporate Relationships

The following chart illustrates the relationship between the Company and its material subsidiaries, all of which are 100% owned unless otherwise stated:



<i>Morguard Corporation:</i>	A federal corporation that is a reporting issuer listed on the Toronto Stock Exchange (TSX: MRC).
<i>Morguard Real Estate Investment Trust:</i>	Morguard Real Estate Investment Trust (“Morguard REIT”) (TSX: MRT.UN) is a closed-end real estate investment trust governed by the laws of Ontario, which owns a diversified portfolio of 50 retail, office and industrial income producing properties in Canada comprising approximately 8.8 million square feet of gross leaseable area (“GLA”) located in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec.
<i>Morguard North American Residential Real Estate Investment Trust:</i>	Morguard North American Residential Real Estate Investment Trust (“Morguard Residential REIT”) (TSX: MRG.UN) is an open-end real estate investment trust governed by the laws of Ontario. Morguard Residential REIT owns, through a limited partnership, interests in a portfolio of 15 Canadian residential apartment buildings and 31 U.S. residential walk-up garden communities consisting of 13,472 residential suites that are located in Ontario, Alberta, Alabama, Colorado, Florida, Georgia, Louisiana, North Carolina, and Texas.
<i>Temple Hotels Inc.:</i>	Temple Hotels Inc. (“Temple Hotels”) (TSX: TPH) is federal corporation incorporated on August 27, 2012. Temple Hotels, directly or indirectly, owns a portfolio comprised of 28 hotel properties located in Canada. Temple Hotels also holds a 50% equity investment in two hotel properties located in Canada.
<i>Revenue Properties (America) Inc.:</i>	A Delaware corporation which owns and manages properties in the United States.
<i>Morguard Investments Limited:</i>	An Ontario corporation, Morguard Investments Limited (“MIL”) was established in 1975 and is one of Canada’s premier real estate investment advisory and management companies overseeing \$7.2 billion in real estate assets for pension funds and other institutional investors.
<i>Lincluden Investment Management Limited:</i>	Lincluden Investment Management Limited (“Lincluden”) manages broadly-diversified portfolios using a fundamental, value-based approach. Assets value at \$5.3 billion are managed for a variety of institutions including pension funds, insurance companies, foundations, endowments, first nation trusts and long-term health and disability funds.

## ITEM 2 GENERAL DEVELOPMENT OF THE BUSINESS

Morguard is a real estate investment company whose principal activities include the acquisition, development and ownership of commercial, multi-suite residential and hotel real estate properties. Morguard is also one of Canada’s premier real estate investment advisors and management companies, representing major institutional and private investors. Morguard’s total assets under management (including both owned and managed assets) were valued at \$21.6 billion as at December 31, 2016. The Company’s primary goal is to accumulate a portfolio of high-quality real estate assets and then deliver the benefits of such real estate ownership to shareholders.

Morguard’s strategy is to acquire or develop a diversified portfolio of commercial, multi-suite residential and hotel real estate assets for both its own accounts and for its institutional clients. The Company’s cash flows are well diversified given the revenue stream earned from its advisory services platform and from

the distributions received from Morguard REIT and Morguard Residential REIT. Diversification of the portfolio, by both product type and location, serves to reduce investment risk. Diversification of the portfolio by both product type and regional location works to reduce investment risk. The Company will divest itself of non-core assets when proceeds can be re-invested to improve returns.

A primary element of the Company's business strategy is to generate stable and increasing cash flow and asset value by improving the performance of its real estate investment portfolio and by acquiring or developing real estate properties in sound economic markets. The Company's business strategy consists of the following elements:

- Increase property values and cash flow through aggressive leasing of available space, and space becoming available.
- Take advantage of long-standing relationships with national and regional tenants.
- Increase portfolio of third-party assets under management.
- Target and execute redevelopment and expansion projects that will generate substantial returns.
- Pursue opportunities to acquire or develop strategically located properties.
- Minimize operating costs by utilizing internalized functions, including property and asset management, leasing, finance, accounting, legal and information technology services.
- Dispose of properties where the cash flows and values have been maximized.

The general development of the Company's business over the past three years is outlined below.

## **2017**

On January 3, 2017, Temple Hotels redeemed the remaining \$22.7 million Series C convertible debentures on maturity.

On January 9, 2017, Morguard Residential REIT completed an offering for 4,370,000 units sold for a price of \$13.75 per unit, for aggregate gross proceeds of \$60.1 million. The Company purchased 1,230,000 of the units offered, amounting to \$16.7 million.

On January 9, 2017, Morguard REIT redeemed the remaining \$150 million of the 4.85% convertible debentures issued on October 31, 2012, of which \$50 million was owned by the Company.

On January 16, 2017, Morguard completed the financing of a residential rental development project located on a 2.3-acre site at 310 and 320 Tweedsmuir Avenue, Toronto, Ontario ("The Heathview") in the amount of \$168.4 million at an interest rate of 2.81% for a term of 10 years. The project represents a 587-suite residential complex comprising two 30-storey towers (the "North Tower" and the "South Tower"). The Heathview was awarded top honours for the 2015 Rental Development of the Year as announced by the Federation of Rental-Housing Providers of Ontario (FRPO). The Heathview certified LEED Gold (North Tower) and LEED Silver (South Tower). The proceeds of the financing were used to repay the remaining construction financing facility balance of \$93 million.

On February 1, 2017, Morguard Residential REIT repaid on maturity four mortgages in the amount of US\$45.3 million.

Subsequent to December 31, 2016, Temple Hotels repaid \$10.7 million of mortgages payable secured by two hotel properties located in Yellowknife, Northwest Territories.

## **2016**

On December 30, 2016, Morguard REIT issued \$175 million aggregate principal amount of 4.50% Convertible unsecured subordinated debentures, due December 31, 2021 ("4.50% Debentures") (TSX: MRT.DB) of which \$60 million are currently owned by the Company.

On December 14, 2016, the Company acquired 54,578,187 common shares of Temple Hotels, increasing its ownership in Temple Hotels from 38.9% to 55.9%. This acquisition of control has been reflected as a business combination occurring on December 31, 2016. As a result of the acquisition of control, the Company converted the method of accounting for its investment in Temple Hotels from the equity method to the consolidation method effective December 31, 2016.

On November 18, 2016, Morguard issued \$200 million aggregate principal of 4.013% Series B senior unsecured debentures due on November 18, 2020.

On November 1, 2016, Morguard Residential REIT announced a 6.7% increase in annualized distributions to \$0.64 per Unit from \$0.60 per Unit.

On September 30, 2016, Morguard Residential REIT completed the refinancing of 10 multi-suite residential properties located in Louisiana and Florida in the amount of US\$95.1 million at a weighted average interest rate of 3.47% and a weighted average term of 8.7 years.

On June 30, 2016, Temple Hotels entered into a revolving loan agreement with Morguard for \$6 million, secured by a first mortgage charge against Nomad Hotel, and bearing interest at prime plus 2.00%.

On April 1, 2016, Morguard assumed asset management of Temple Hotels, upon which new officers were appointed, including K. Rai Sahi to Chief Executive Officer and Paul Miatello to Chief Financial Officer.

During 2016, Morguard disposed of Westland Shopping Center in Kenner, Louisiana for net proceeds of \$15.8 million; and Morguard REIT disposed of Centre de la Cite, an office building located in Montreal, Quebec, for net proceeds of \$22.3 million.

On February 1, 2016, the Company acquired three hotel properties located in Toronto, Ontario, for a purchase price of \$33.5 million. The acquisition was partially financed by a \$20.0 million credit facility, for a term of three years.

On February 1, 2016, Morguard Residential REIT acquired a multi-suite residential property comprising 370 suites located at 160 Chapel Street, Ottawa, Ontario, for a gross purchase price of approximately \$67.0 million. The acquisition was partially financed by a new mortgage of \$38.6 million at an interest rate of 2.88% for a term of 10 years.

During 2016, Temple Hotels announced a comprehensive review of strategic alternatives available to best enhance the long-term interests of the company and all of its stakeholders (the "Strategic Review"). The review process is continuing and there can be no assurance that the process will result in any specific action.

## **2015**

During 2015, Morguard completed several purchases of common shares of Temple Hotels resulting in a total ownership of 30,237,889 common shares, representing approximately 38.9% of the issued and outstanding common shares.

Between January 6 and December 17, 2015, the Company purchased 2,554,178 units of Morguard REIT for an aggregate purchase price of \$41.1 million, increasing the Company's ownership position to 50.4% (as at December 31, 2015).

As part of on-going review of Morguard REIT's portfolio, several property dispositions were completed in 2015. On February 17, 2015, Morguard REIT completed the sale of 350 Sparks Street and 361 Queen Street, for a total price of \$37.7 million; followed by the sale of 5591-5631 Finch Avenue for \$10.0 million; and the sale of 20-24 Lesmill Avenue on May 15, 2017, for a total price of \$6.4 million.

On September 1, 2015, Morguard Residential REIT acquired a 51% interest in a garden-style property comprising 252 suites located in Cooper City, Florida, for a gross purchase price of \$73.9 million (US\$56.0 million), including closing costs. On December 18, 2015, the REIT completed the financing of the Monterra Acquisition in the amount of \$41.3 million (US\$29.6 million), at an interest rate of 3.86% for a term of seven years.

In August 2015, Morguard acquired a 59.1% ownership interest in a 299 multi-suite residential building including 47,500 square feet of commercial area in Los Angeles, California, for \$77.4 million (US\$58.0 million).

In mid-2015, Morguard REIT completed a \$25.2 million revitalization project at St. Laurent Centre, refreshing and modernizing the centre.

On February 3, 2015, the Company acquired a 60% ownership interest in Lincluden Investment Management Limited.

## **2014**

During 2014, the Company determined that it met the definition of control, as defined by International Financial Reporting Standards (“IFRS”), with respect to its investment in Morguard REIT. As a result of the acquisition of control, the Company converted the method of accounting for its investment in Morguard REIT from the equity method to the consolidation method effective December 31, 2014. The impact of this change was significant on the Company’s December 31, 2014, balance sheet because of the requirement to fully consolidate Morguard REIT’s assets and liabilities.

The official building opening of Performance Court located at 150 Elgin Street, Ottawa, Ontario was held on June 18, 2014. Performance Court is a 21-storey, 361,000 square-foot (100%) office tower with three levels of underground parking located at 150 Elgin Street, Ottawa, Ontario that was developed by the Corporation with an institutional joint venture partner. Performance Court is certified LEED Gold and BOMA Platinum.

On April 25, 2014, the Morguard Residential REIT sold land adjacent to Square 104, Edmonton, Alberta for \$4 million.

## **Outlook**

Canadian and U.S. commercial property markets generated largely stable and positive trends during 2016 despite continued weakness in resource-driven regions. Across much of the sector, owners continued to experience healthy income growth patterns and stable values. Continued access to low-cost debt and equity capital pushed capital flows into the commercial property sector to a record high during 2016, with foreign buyers adding to the strength of the demand cycle. The relative safety of the Canadian and U.S. property sectors was a major driver of offshore demand. The resulting demand pressure pushed core values to new benchmark highs, with the balance of the market stabilizing at the peak. A range of capital structures, both public and private, actively pursued commercial property as a source of stable yield. Against this backdrop, 2016 was marked by generally stable and positive investment market fundamentals. The successes of 2016 occurred during a period of heightened risk.

Looking to 2017, commercial property sectors will register progress, while investors monitor risks that may have an impact on performance. A modest strengthening of the economic growth cycle is forecast for 2017. The byproduct of an improved economic outlook will be stable space market demand, which will support income growth for investors. Core property values will hold at current levels, with the potential for slight increases given relatively high levels of competition for yield, a deep buyer pool and ongoing access to low-cost debt and equity capital. While the outlook is broadly positive, investors will monitor performance risks that could affect values and performance. The main areas of sector risk include the potential for sharp increases in borrowing costs, the economic impact of protectionist trade measures instituted in the U.S. and a prolonged commodities crisis.

In 2017, the environment for acquisitions will continue to be competitive. The Company remains disciplined in exploring new investment opportunities. Management will continue to seek acquisition opportunities, focusing on properties that are accretive in the long term. In addition to acquisitions, the Company also expects growth to come organically from within the existing portfolio and from intensification opportunities.

Morguard’s strength stems from conservative financial leverage, significant cash retention and our highly diversified cash flow streams.

## ITEM 3 NARRATIVE DESCRIPTION OF THE BUSINESS

### 3.1 Segments

#### Real Estate

The Company and its subsidiaries, including Morguard Residential REIT, Morguard REIT and Temple Hotels own a diversified portfolio of 205 multi-suite residential, retail, office, industrial and hotel properties located in Canada and in the United States. The composition of the Company's real estate assets by asset type is as follows:

Asset Type	Number of Properties	GLA Square Feet (000s) <sup>(1)</sup>	Apartment Suites/Hotels Rooms <sup>(2)</sup>	Real Estate Properties
Multi-suite residential	58	—	18,286	\$3,579,411
Retail	41	8,764	—	2,526,276
Office	41	6,065	—	1,853,917
Industrial	26	1,197	—	110,576
Hotel	39	—	5,647	700,788
Properties and land held for and under development	—	—	—	119,429
<b>Total <sup>(3)</sup></b>	<b>205</b>	<b>16,026</b>	<b>23,933</b>	<b>\$8,890,397</b>

(1) Total GLA is shown on a proportionate basis; on a 100% basis total GLA of the Company's commercial properties is 20.15 million square feet.

(2) Total suites include equity-accounted investments and non-controlling interest. The Company on a proportionate basis has ownership of 17,537 suites.

(3) Includes two multi-suite residential, two office properties and two hotel properties classified as equity-accounted investments.

#### Portfolio Composition by Type

The Company's multi-suite residential portfolios comprised of 23 Canadian properties (21 high-rise buildings and two low-rise buildings located primarily throughout the Greater Toronto Area ("GTA")) and 35 U.S. properties (29 low-rise and three mid-rise, garden-style communities located in Alabama, Colorado, Florida, Georgia, Louisiana, North Carolina and Texas and three high-rise buildings located in Chicago, Illinois and Los Angeles, California).. The combined multi-suite residential portfolio represents 18,286 suites.

The Company's retail portfolio includes two broad categories of income producing properties: (i) enclosed full scale, regional shopping centres that are dominant in their respective markets; and (ii) neighbourhood and community shopping centres that are primarily anchored by food retailers, discount department stores and banking institutions. The retail portfolio comprised 29 properties located in Canada and 12 properties located in Florida and Louisiana. The combined retail portfolio represents 8.8 million square feet of gross leasable area ("GLA").

The Company's office portfolio is focused on well-located, high-quality office buildings in major Canadian urban centres primarily located throughout the GTA, downtown Ottawa, Montréal, Calgary and Edmonton. The portfolio is balanced between single-tenant buildings under long-term lease to government and large national tenants and multi-tenant properties with well distributed lease expiries that allow the Company to benefit from increased rentals on lease renewals. The office portfolio represents 6.1 million square feet of GLA.

The Company's industrial portfolio comprises 26 industrial properties located throughout Ontario, Québec and British Columbia. The industrial portfolio represents 1.2 million square feet of GLA.

The Company's hotel portfolio consists of 39 hotel properties located in six Canadian provinces and the Northwest Territories. The hotel portfolio represents 5,647 rooms. The Company also owns a hotel property in Ottawa, Ontario, that is currently under development.

A detailed property listing can be found in Appendix “B”.

#### Advisory Services

The Company, through its wholly owned subsidiary, MIL, provides real estate management services to Canadian institutional investors. Services include acquisitions, development, dispositions, leasing, performance measurement, and asset and property management. For 40 years, MIL has positioned itself as one of Canada’s leading providers of real estate portfolio and asset and property management services. In addition, Morguard through its 60% ownership interest in Lincluden, a privately held asset manager, offers institutional clients and private investors a broad range of global investment products across equity, fixed-income and balanced portfolios.

As of December 31, 2016, MIL and Lincluden manage a portfolio (excluding Morguard’s corporately owned assets and assets owned by Morguard REIT and Morguard Residential REIT) of assets having an estimated value of \$12.5 billion.

#### Morguard Real Estate Investment Trust

The Company owns a 52.5% interest in Morguard REIT. As at December 31, 2016, Morguard REIT holds a diversified real estate portfolio of 50 retail, office and other properties consisting of approximately 8.7 million square feet of GLA located in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec. The Company began consolidating Morguard REIT effective December 31, 2014.

#### Morguard North American Residential Real Estate Investment Trust

The Company owns a 47% interest in Morguard Residential REIT. Morguard Residential REIT has been formed to own multi-suite residential properties in Canada and the United States. As at December 31, 2016, Morguard Residential REIT indirectly holds, through a limited partnership, interests in a portfolio of 15 Canadian multi-suite residential properties and 31 U.S. multi-suite residential walk-up garden communities consisting of an aggregate 13,472 suites.

#### Temple Hotels Inc.

The Company owns a 55.9% interest in Temple Hotels. Temple Hotels owns a portfolio of hotel properties and the core business activities consist of investment, development and management activities which are focused on maximizing the return on the hotel portfolio. As at December 31, 2016, the hotel portfolio of the Company consists of 28 hotel properties comprising 3,875 rooms, of which nine hotel properties are located in Fort McMurray, Alberta. Temple Hotels also has two 50% equity investment hotel properties located in Ontario, comprising 299 rooms.

### 3.2 Risks and Uncertainties

An investment in securities of the Company involves significant risks. Investors should carefully consider the risks described below, the other information described elsewhere in this AIF before making a decision to buy securities of the Company. If any of the following or other risks occur, the Company’s business, prospects, financial condition, financial performance and cash flows could be materially adversely impacted. In that case, the trading price of securities of the Company could decline and investors could lose all or part of their investment in such securities. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks.

There are certain risks inherent in an investment in the securities of the Company and in the activities of the Company, including those set out in the Company’s publicly filed disclosure available on SEDAR.

The following are business risks the Company expects to face in the normal course of its operations and management’s strategy to reduce the potential impact.

#### Operating Risk

Real estate has a high fixed cost associated with ownership, and income lost due to vacancies cannot easily be minimized through cost reduction. Tenant retention is critical to maintaining occupancy levels. Through well-located and professionally managed properties, management seeks to increase tenant

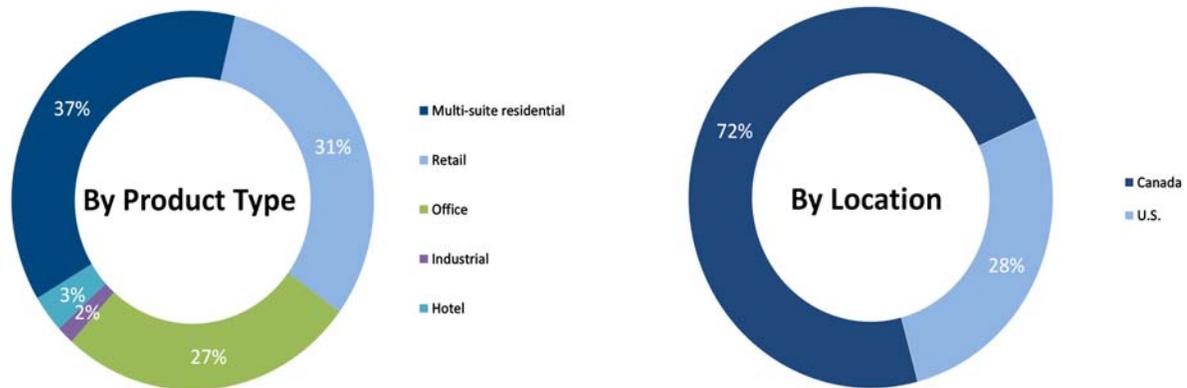
loyalty and become the landlord of choice. Morguard reduces operating risk through diversification. The Company diversifies its portfolio by tenants, lease maturities, product and location.

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, must be made throughout the period of ownership of real property regardless of whether a property is producing any income. If the Company is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or of sale.

The Company is also subject to utility and property tax risk relating to increased costs that the Company may experience as a result of higher resource prices, as well as its exposure to significant increases in property taxes. There is a risk that property taxes may be raised as a result of revaluations of municipal properties and their adherent tax rates. In some instances, enhancements to properties may result in a significant increase in property assessments following a revaluation. Additionally, utility expenses, mainly consisting of natural gas and electricity service charges, have been subject to considerable price fluctuations over the past several years. Unlike commercial leases, which generally are "net" leases and allow a landlord to recover expenditures, residential leases are generally "gross" leases, and the landlord is not able to pass on costs to its tenants.

In connection with the prudent management of its properties, the Company makes significant property capital investments (for example, to upgrade and maintain building structure, balconies, parking garages, roofing, and electrical and mechanical systems). The Company commissioned building condition reports in connection with the acquisition of each of the properties and has committed to a multi-year property capital investment plan based on the findings of such reports. The Company continually monitors its properties to ensure appropriate and timely capital repairs and replacements are carried out in accordance with its property capital investment programs. The Company requires sufficient capital to carry out its planned property capital investment and repair and refurbishment programs to upgrade its properties or it could be exposed to operating business risks arising from structural failure, electrical or mechanical breakdowns, fire or water damage, etc., which may result in significant loss of earnings to the Company.

The portfolio diversification is shown by percentage of NOI for the year ended December 31, 2016:



#### Derivatives Risks

The Company may invest in and use derivative instruments, including futures, forwards, options and swaps, to manage its utility and interest rate risks inherent in its operations. There can be no assurance that the Company's hedging activities will be effective. Further, these activities, although intended to mitigate price volatility, expose the Company to other risks. The Company is subject to the credit risk that its counterparty (whether a clearing corporation in the case of exchange traded instruments or another third party in the case of over-the-counter instruments) may be unable to meet its obligations. In addition, there is a risk of loss by the Company of margin deposits in the event of the bankruptcy of the dealer with

whom the Company has an open position in an option or futures or forward contract. In the absence of actively quoted market prices and pricing information from external sources, the valuation of these contracts involves judgment and use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these contracts. The ability of the Company to close out its positions may also be affected by exchange-imposed daily trading limits on options and futures contracts. If the Company is unable to close out a position, it will be unable to realize its profit or limit its losses until such time as the option becomes exercisable or expires or the futures or forward contract terminates, as the case may be. The inability to close out options, futures and forward positions could also have an adverse impact on the Company's ability to use derivative instruments to effectively hedge its utility and interest rate risks.

As a significant part of the Company's operating expenses are attributable to charges, fluctuations in the price of energy can have a material adverse impact on the result of operations and financial condition of the Company.

From time to time, the Company may enter into agreements to receive fixed prices on all or certain of its energy requirements (principally, natural gas and electricity in certain markets) to offset the risk of rising expenditures if prices for these energy commodities increase; however, if the prices for these energy commodities decline beyond the levels set in these agreements, the Company will not benefit from such declines in energy prices and will be required to pay the higher price contracted for such energy supplies.

#### Harmonization of Federal Goods and Services Tax and Provincial Sales Tax

Currently, there is generally no HST on residential rents (i.e. they are generally HST exempt). As input tax credits for HST paid can only be claimed if the payments are in respect of commercial activities and as renting residential properties is not a commercial activity, the Company is not able to claim input tax credits for HST paid. In the future, the effect of increasing the HST rate or extending its application to a variety of new business input costs presently not subject to HST means landlords may have to absorb the additional tax costs on business inputs.

#### Financing Risk

The Company is subject to the risks associated with debt financing, including the risk that mortgages and credit facilities secured by the Company's properties will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness. To minimize this risk, Morguard has structured its debt maturities over a number of years and has negotiated fixed interest rates on all of its mortgages payable, with the exception of one mortgage with a floating rate. To mitigate the interest rate risk on the refinancing of this mortgage, the Company entered into an interest rate swap transaction to acquire a fixed rate over the floating rate.

#### Credit Risk

The Company's primary business is the ownership and operation of multi-suite residential, retail, hotel and office properties. The income stream, generated by tenants paying rent, can be affected by general and local economic conditions and by a change in the credit and financial stability of tenants. Examples of other local conditions that could adversely affect income include oversupply of space or reduced demand for rental space, the attractiveness of the Company's properties compared to other space and fluctuation in real estate taxes, insurance and other operating costs. The Company may be adversely affected if tenants become unable to meet their financial obligations under their leases.

Retail shopping centres traditionally rely on anchor tenants (department stores, junior department stores or grocery stores) as a source of significant revenue and in terms of generating traffic for the centre. Accordingly, the risk is present that an anchor tenant will move out or experience a failure, which would have a negative impact on the subject property.

The Company's five largest tenants account for 25.2% of the Company's annualized commercial rental revenue as follows:

Tenants as at December 31, 2016	Annualized Rental Revenue	GLA (000's)	% of Total GLA
Federal and provincial government	11.4%	1,476	10.0%
Penn West Petroleum Ltd.	6.6%	619	4.2%
Bombardier Inc.	3.4%	556	3.8%
TD Canada Trust	2.2%	453	3.1%
Loblaw Companies Limited	1.6%	266	1.8%
	25.2%	3,370	22.9%

### Reporting Investment Property at Fair Value

The Company holds investment property to earn rental income or for capital appreciation or both. All investment properties are measured using the fair value model under IFRS, whereby changes in fair value are recognized for each reporting period in the consolidated statements of income and comprehensive income. Management values each investment property based on the most probable price that a property should be sold for in a competitive and open market as of the specified date under all conditions requisite to a fair sale, such as the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Each investment property has been valued on a highest and best use basis.

There is a risk that general declines in real estate markets or sales of assets by the Company under financial or other hardship would impact the fair values reported, or the cash flows associated with owning or disposing of such properties. Market assumptions applied for valuation purposes do not necessarily reflect the Company's specific history or experience and the conditions for realizing the fair values through a sale may change or may not be realized. Consequently, there is a risk that the actual fair values may differ, and the differences may be material. In addition, there is an inherent risk related to the reliance on and use of a single appraiser, as this approach may not adequately capture the range of fair values that market participants would assign to the investment properties. Certain ratios and covenants could be negatively affected by downturns in the real estate market and could significantly impact the Company's operating revenues and cash flows, as well as the fair values of the investment properties.

### Acquisition and Development Risk

The Company's investment criteria are focused on well-located assets, with minimal leasing exposure in the short term and tenants with strong covenants. To mitigate development risk, the Company's development criteria for Greenfield development emphasizes prudent selection of development sites, minimal land banking and an adequate level of leasing prior to commencing construction. To further reduce risk, Morguard attempts to have interim financing and fixed construction contracts in place at the outset of any development.

### Environmental Risk

As an owner and manager of real property, the Company is subject to various laws relating to environmental matters. These laws impose liability for the cost of removal and remediation of certain hazardous materials released or deposited on properties owned or managed by the Company or on adjacent properties. As a result, Phase 1 environmental site assessments are completed prior to the acquisition of any property. Once the property is acquired, environmental assessment programs ensure continued compliance with all laws and regulations governing environmental and related matters. Morguard's management is responsible for ensuring compliance with environmental legislation and is required to report quarterly to the Board of Directors. The Company has certain properties that contain hazardous substances, and management has concluded that the necessary remediation costs will not

have a material impact on its operations. The Company has obtained environmental insurance on certain assets to further manage risk.

#### Commercial Lease Rollover Risk

Lease rollover risk results from the possibility that the Company may experience difficulty in renewing leases as they expire or in re-leasing space vacated by a tenant upon expiry. Management attempts to stagger the lease expiry profile so that the Company is not exposed to disproportionate amounts of space expiring in any one year, as set out in the following table. Management further mitigates this risk by maintaining a diversified portfolio mix by both asset type and location.

Summary of Lease Expiries as at December 31, 2016	2017			2018		2019	
	Total SF.	SF.	%	SF.	%	SF	%
Retail	8,160	900	11%	843	10%	589	7%
Office	6,065	375	6%	252	4%	286	5%
Industrial	1,197	121	10%	144	12%	189	16%
Total	15,422	1,396	9%	1,239	8%	1,064	7%

#### Foreign Exchange Risk

A portion of the Company's real estate properties are located in the United States. As a result, the Company is exposed to foreign currency exchange rate risk with respect to future cash flows derived from the properties located in the U.S. The Company's exposure to exchange rate risk could increase if the proportion of income from properties located in the United States increases as a result of future property acquisitions.

The Company mitigates its foreign currency exposure by offsetting certain revenues earned in United States dollars from its U.S. properties against expenses and liabilities undertaken by the Company in United States dollars.

At December 31, 2016, the Canadian dollar value was US\$0.74 compared to US\$0.72 a year earlier. The average exchange rate for the year was US\$0.76 compared to US\$0.78 in 2015. The weakening of the Canadian dollar during 2016 resulted in an unrealized foreign currency translation loss of approximately \$30.5 million recognized in other comprehensive income.

#### Pension Risk

The Company's defined benefit pension plans are exposed to the possibility that changes in returns could have an impact on contributions, cash flows and pension expense. Other market-driven changes can also have a similar effect. In addition, there is no assurance that the plans will be able to earn the assumed rate of return. Market-driven changes may result in changes in the discount rates and other variables, which would result in the Company being required to make contributions in the future that differ significantly from the estimates. There is also a component of measurement uncertainty incorporated in the actuarial valuation process. Should the underlying assumptions change, actual results could differ from the estimated amounts.

#### Risk of Natural Disasters

While the Company has insurance to cover a substantial portion of damages caused by hurricanes and other natural disasters, our insurance includes deductible amounts, and certain items may not be covered by insurance. The Company's operations and properties may be significantly affected by future hurricanes or other natural disasters. Future hurricanes or other natural disasters may cause us to lose rent and incur additional storm cleanup costs. Any of these events might have a materially adverse impact on our results of operations and financial condition.

### Risk of Loss Not Covered by Insurance

The Company generally maintains insurance policies related to our business, including casualty, general liability and other policies covering our business operations, employees and assets; however, the Company would be required to bear all losses that are not adequately covered by insurance, as well as any insurance deductibles. In the event of a substantial property loss, the insurance coverage may not be sufficient to pay the full current market value or current replacement cost of the property. In the event of an uninsured loss, the Company could lose some or all of its capital investment, cash flow and anticipated profits related to one or more properties. Although the Company believes that our insurance programs are adequate, assurance cannot be provided that the Company will not incur losses in excess of insurance coverage or that insurance can be obtained in the future at acceptable levels and reasonable cost.

### Risk Related To Insurance Renewals

Certain events could make it more difficult and expensive to obtain property and casualty insurance, including coverage for terrorism. When our current insurance policies expire, the Company may encounter difficulty in obtaining or renewing property or casualty insurance on our properties at the same levels of coverage and under similar terms. Such insurance may be more limited and, for catastrophic risks (for example, earthquake, hurricane, flood and terrorism), may not be generally available to fully cover potential losses. Even if the Company were able to renew our policies at levels and with limitations consistent with our current policies, the Company cannot be sure that we would be able to obtain such insurance at premium rates that are commercially reasonable. If the Company were unable to obtain adequate insurance on our properties for certain risks, it could cause us to be in default under specific covenants on certain of our indebtedness or other contractual commitments we have that require us to maintain adequate insurance on our properties to protect against the risk of loss. If this were to occur or if the Company were unable to obtain adequate insurance and our properties experienced damages that would otherwise have been covered by insurance, it could adversely affect our financial condition and the operations of our properties.

### Relative Liquidity of Real Estate

Real estate is not considered to be a liquid investment as it requires a reasonable sales period and normal market conditions to generate multiple bids to complete the sales process. The characteristics of the property being sold and general and local economic conditions can affect the time required to complete the sales process.

Significant competition exists that may decrease the rental rates and occupancy rates of the Company's properties. The Company competes with many other real estate entities, major retailers and commercial developers. Some of these entities develop their own malls and community shopping centres that compete for tenants. New shopping centres or new multi-suite residential properties with more convenient locations or lower rental rates may cause tenants to leave the Company's properties or may give cause for tenants to renew their leases on terms less favourable to the Company.

### Morguard REIT and Morguard Residential REIT Unitholder Taxation

At December 31, 2016, the Company owned 31,813,982 units of Morguard REIT and 5,445,166 units of Morguard Residential REIT and 17,223,090 Class B LP Units of Morguard NAR Canada Limited Partnership. The Class B LP Units are exchangeable, on a one-for-one basis, at the option of the Company, into units of Morguard Residential REIT.

Legislation relating to the federal income taxation of a specified investment flow-through ("SIFT") trust or partnership was enacted on June 22, 2007 (the "SIFT Rules"). A SIFT includes a publicly listed or traded partnership or trust such as an income trust. Under the SIFT Rules, certain distributions attributable to a SIFT will not be deductible in computing the SIFT's taxable income, and the SIFT will be subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to Canadian corporations. However, distributions paid by a SIFT as returns of capital should generally not be subject

to the tax. Under the SIFT Rules, the new taxation regime will not apply to a trust that meets prescribed conditions relating to the nature of its income and investments (“the REIT Exception”).

The Company believes that Morguard REIT and Morguard Residential REIT (the “REITs”) intend to comply with the requirements under Part 1 of the Canadian Income Tax Act (the “Tax Act”) at all relevant times such that they maintain their status as “unit trusts” and “mutual fund trusts” for purposes of the Tax Act. Under current law, a trust may lose its status under the Tax Act as a mutual fund trust if it can reasonably be considered that the trust was established or is maintained primarily for the benefit of non-residents, except in limited circumstances. Accordingly, non-residents may not be the beneficial owners of more than 49% of the units (determined on a basic or a fully diluted basis). The Trustees of Morguard REIT and Morguard Residential REIT also have various powers that can be used for the purpose of monitoring and controlling the extent of non-resident ownership of the units. The restrictions on the issuance of units by the REITs to non-residents may negatively affect the REITs ability to raise financing for future acquisitions or operations. In addition, the non-resident ownership restrictions could have a negative impact on the liquidity of the units and the market price at which units can be sold.

There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the Canada Revenue Agency respecting mutual fund trusts will not be changed in a manner that adversely affects unitholders.

Although, as of the date hereof, management believes that Morguard REIT and Morguard Residential REIT will be able to meet the requirements of the REIT Exception throughout 2017 and beyond, there can be no assurance that the REITs will be able to qualify for the REIT Exception such that the REITs and the unitholders will not be subject to the SIFT Rules in 2017 or in future years.

#### Litigation Risks

In the normal course of the Company’s operations, whether directly or indirectly, it may become involved in, named as a party to or the subject of various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relating to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the Company and, as a result, could have a material adverse effect on the Company’s assets, liabilities, business, financial condition and results of operations. Even if the Company prevails in any such legal proceeding, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the Company’s business operations, which could have a material adverse effect on the Company’s business, cash flows, financial condition and results of operations.

#### Internal Controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company undertakes a number of procedures and the Company and certain of its subsidiaries implement a number of safeguards, in each case, in order to help ensure the reliability of their respective financial reports, including those imposed on the Company under Canadian securities law, the Company cannot be certain that such measures ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls or difficulties encountered in their implementation could harm the Company’s results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market’s confidence in the Company’s consolidated financial statements and materially adversely affect the trading price of the Company’s securities.

#### Potential Conflicts Of Interest with Directors

The Directors will from time to time in their individual capacities deal with parties with whom the Company may be dealing or who may be seeking investments similar to those desired by the Company. The interests of these individuals could conflict with those of the Company. Conflict of interest provisions requiring the Directors to disclose their interests in certain contracts and transactions and to refrain from

voting on those matters. In addition, certain decisions regarding matters that may give rise to a conflict of interest must be made by a majority of Independent Directors only.

#### Volatile Market Price for the Company's Securities

The market price for the Company's securities may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following: (i) actual or anticipated fluctuations in the Company's financial performance and future prospects; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Company; (iv) addition or departure of the Company's executive officers; (v) release or expiration of lock-up or other transfer restrictions on outstanding shares; (vi) sales or perceived sales of additional shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; (viii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets; (ix) liquidity of the Company's securities; (x) prevailing interest rates; (xi) the market price of other Company securities; (xii) a decrease in the amount of dividends declared and paid by the Company; and (xiii) general economic conditions.

Financial markets have, in recent years, experienced significant price and volume fluctuations that have particularly affected the market prices of securities of issuers and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such issuers. Accordingly, the market price of the Company's securities may decline even if the Company's financial performance, underlying asset values, or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Company's securities by those institutions. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil exist for a protracted period of time, the Company's operations could be adversely impacted and the trading price of the securities may be adversely affected.

#### Credit Risk with Respect to the Unsecured Debentures, Prior Ranking Indebtedness and Absence of Covenant Protection

The likelihood that purchasers of the Unsecured Debentures will receive payments owing to them under the terms of the Unsecured Debentures will depend on the financial health of the Company and its creditworthiness. In addition, the Unsecured Debentures are unsecured obligations of the Company and are subordinate in right of payment to all the Company's existing and future Senior Indebtedness (as defined in the Trust Indenture that governs the Debentures). Therefore, if the Company becomes bankrupt, liquidates its assets, reorganizes or enters into certain other transactions, the Company's assets will be available to pay its obligations with respect to the Unsecured Debentures only after it has paid all of its Senior Indebtedness and secured indebtedness in full. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the Unsecured Debentures then outstanding.

The Unsecured Debentures are also effectively subordinate to claims of creditors (including trade creditors) of the Company's subsidiaries except to the extent the Company is a creditor of such subsidiaries ranking at least *pari passu* with such other creditors. The Trust Indenture does not prohibit or limit the ability of the Company or its subsidiaries to incur additional debt or liabilities (including Senior Indebtedness) or to make dividends, except, with respect to dividends, where an event of default has occurred and such default has not been cured or waived. The Trust Indenture does not contain any provision specifically intended to protect debentureholders in the event of a future leveraged transaction involving the Company.

### Dilution

The number of common shares and the principal amount of Unsecured Debentures under the Trust Indenture that the Company is authorized to issue are unlimited. The Company may, in its sole discretion, issue additional Common Shares and/or Unsecured Debentures from time to time subject to the rules of any applicable stock exchange on which the Common Shares are then listed and applicable securities law. The issuance of any additional Common Shares and/or Unsecured Debentures may have a dilutive effect on the interests of holders of Common Shares and/or Unsecured Debentures.

## ITEM 4 DIVIDEND POLICY

The declaration and payment of dividends on Morguard's common shares are at the discretion of the Board of Directors, which has historically supported a stable and consistent dividend policy. On June 13, 2002, the Company changed its dividend policy from a semi-annual to a quarterly payment and the annual dividend was increased 12%, from \$0.50 to \$0.56 per common share. Then, on November 7, 2008, the Company further increased its dividend to \$0.60 per common share annually – an approximately 7% change. A complete record of dividends paid on the common shares for the past three years is as follows:

	2016	2015	2014
Per common share	<b>\$0.60</b>	\$0.60	\$0.60
Total	<b>\$7,163,000</b>	\$7,305,000	\$7,476,000

## ITEM 5 DESCRIPTION OF CAPITAL STRUCTURE

The following is a description of the material rights, privileges, restrictions and conditions attached to the authorized preference shares ("Preference Shares") and common shares ("Common Shares"). This summary is qualified in its entirety by the full text of such attributes contained in the articles of the Company.

Currently the authorized share capital of the Company consists of an unlimited number of Preference Shares, issuable in series, of which none have been issued to date, and an unlimited number of Common Shares, of which 11,922,583 Common Shares were issued and outstanding as of February 23, 2017.

### Preference Shares

The Board of Directors may issue Preference Shares at any time and from time to time in one or more series. Prior to issuance of a particular series, the Board of Directors may determine, subject to the limitations set out in the articles, the designation, preferences, rights, conditions, restrictions, limitations or prohibitions to attach to the shares of such series including the rate or rates, the dates of payment thereof, the redemption price and terms and conditions of redemption, conversion rights (if any) and any sinking fund or other provisions.

Preference Shares of each series shall be entitled to preference over the Common Shares with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets among shareholders. Preference Shares of each series shall rank on parity with the preference of every other series with respect to priority in payment and distribution as outlined above.

The holders of Preference Shares shall not be entitled as such, except where specifically provided, to receive notice of or to attend any meeting of the shareholders of the Company or to vote at any such meeting unless and until the Company from time to time shall fail to pay dividends for a period aggregating two years on Preference Shares of any one series according to the terms thereof, but only so long as any of those dividends on Preference Shares are outstanding. The holders of Preference Shares shall be entitled to receive notice of meetings of shareholders of the Company called for the purpose of authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof.

The approval of the holders of Preference Shares to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to Preference Shares as a class or to create Preference Shares ranking in priority to or on parity with Preference Shares may be given in such a manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution passed by an affirmative vote of at least two-thirds of the votes cast at a meeting of the holders of Preference Shares duly called for that purpose.

#### Common Shares

Subject to the prior rights provided to the holders of Preference Shares, if any, each holder of Common Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Company and to vote thereat, except meetings at which only holders of a specified class of shares (other than Common Shares) or specified series of shares are entitled to vote. At all meetings at which notice must be given to the holders of Common Shares, each holder of Common Shares shall be entitled to one vote in respect of each Common Share held by the holder.

The holders of Common Shares shall be entitled, subject to the rights, privileges, restrictions and conditions attaching to any other of the shares of the Company, to receive any dividend declared by the Company and to receive the remaining property of the Company on a liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary.

#### Senior Debentures

The following is a description of the material attributes and characteristics of the Senior Debentures. This summary is qualified in its entirety by the full text of such attributes contained in the Trust Indenture as filed on SEDAR.

Currently the Trust Indenture authorizes Morguard to issue an unlimited aggregate principal amount of debt securities in one or more series. Each issue will be made by way of a supplemental indenture which will set out the terms of the relevant series of debt securities. Morguard may, from time to time, without the consent of the holders of the Senior Debentures, issue additional debentures of a different series under the Trust Indenture as supplemented by further supplemental trust indentures. The Senior Debentures are direct senior unsecured obligations of the Company and rank equally and rateably with each other Senior Debenture, if any, and will all other unsecured and unsubordinated indebtedness of Morguard, except to the extent prescribed by law.

In December 2013, Morguard issued \$135.0 million principal amount of Series A Senior Debentures pursuant to a trust indenture dated December 10, 2013 between Morguard and Computershare Trust Company of Canada (the "Indenture Trustee"), as supplemented from time to time (the "Trust Indenture"). The Series A Senior Debentures will mature on December 10, 2018. At December 31, 2016, \$135.0 million of the Series A Senior Debentures are outstanding.

In November 2016, Morguard issued \$200.0 million principal amount of Series B Senior Debentures pursuant to second supplemental trust indenture dated November 18, 2016 between Morguard and the Indenture Trustee. The Series B Senior Debentures will mature on November 18, 2020. At December 31, 2016, \$200 million of the Series B Senior Debentures are outstanding.

#### *Interest*

The Series A Senior Debentures bear an annual interest rate of 4.099% payable semi-annually in arrears on June 10 and December 10 in each year.

The Series B Senior Debentures bear an annual interest rate of 4.013% payable semi-annually in arrears on May 18 and November 18 in each year.

#### *Redemption*

At its option, the Company may redeem the Series A Senior Debentures and the Series B Senior Debentures (together, the "Senior Debentures") at any time, in whole or in part, on payment of a

redemption price equal to the greater of (i) the Canada Yield Price<sup>1</sup> and (ii) par, together in each case with accrued and unpaid interest to, but excluding, the date fixed for redemption (less any taxes required by law to be deducted or withheld). The Company will give notice of redemption at least 30 days but not more than 60 days before the date fixed for redemption. Where less than all of the Debentures are to be redeemed pursuant to their terms, the Senior Debentures to be so redeemed will be redeemed on a pro rata basis according to the principal amount of such debentures registered in the respective name of each Holder of such Senior Debentures or in such other manner as the Indenture Trustee may consider equitable.

#### *Purchase of Senior Debentures*

The Company may at any time and from time to time purchase the Senior Debentures in the market (which will include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or private contract at any price. The Senior Debentures that are so purchased will be cancelled and will not be reissued or resold.

#### *Certain Senior Trust Indenture Covenants*

The Trust Indenture contains covenants substantially to the following effect.

##### Maintenance of Properties

The Company will maintain and keep or cause to be maintained and kept in good condition, repair and working order all of the properties owned by it or any of its subsidiaries used in its business or in the business of any of its subsidiaries. It will make or cause to be made all necessary renewals and replacements of and repairs and improvements to these properties as in its judgment may be necessary to carry on its business properly and prudently. Notwithstanding the foregoing, the Company and its subsidiaries will not be prohibited from selling or transferring any of their properties in the ordinary course of business.

##### Insurance

The Company will maintain and will cause its subsidiaries to maintain such property and liability insurance, as would be maintained by a prudent owner.

##### Financial Information

The Company will deliver to the Indenture Trustee its audited annual consolidated financial statements and unaudited condensed consolidated interim financial statements at such time as such statements are delivered to Canadian securities regulators; provided, however, that the Company shall not be obligated to furnish to the Indenture Trustee copies of the above-mentioned financial statements so long as such financial statements are publicly available under the Company's issuer profile at [www.sedar.com](http://www.sedar.com).

##### Restrictions on Consolidations and Mergers

Without the consent of the Holders of each class of Debt Securities by Extraordinary Resolution, the Company may not consolidate with, amalgamate or merge with or into or sell, assign, transfer or lease all or substantially all of its properties and assets to any person unless:

- (i) the entity (the "Successor" including, if required in the case of a joint venture, the parties to such joint venture) formed by such consolidation or amalgamation or into which the Company is merged or the entity which acquires by operation of law or by conveyance or by transfer the assets of the Company substantially as an entirety is a corporation, trust, partnership, limited

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<sup>1</sup> "Canada Yield Price" means a price equal to the price of a Senior Debenture calculated to provide a yield to maturity, compounded semi-annually and calculated in accordance with generally accepted financial practice, equal to the Government of Canada Yield plus 0.56% (for Series A) or 0.785% (for Series B), on the date on which the Company gives notice of redemption of such Debenture pursuant to the Trust Indenture.

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

partnership, joint venture or unincorporated organization organized or existing under the laws of Canada or any province or territory thereof and (except where such assumption is deemed to have occurred solely by the operation of law) assumes under a Supplemental Indenture all obligations of the Company under the Trust Indenture, any Supplemental Indenture and any Debt Securities, and such transaction is to the satisfaction of the Indenture Trustee and in the opinion of counsel will be upon such terms to preserve and not to impair any of the rights and powers of the Indenture Trustee and of the Holders of debentures under the Trust Indenture, any Supplemental Indenture and any Debt Securities;

- (ii) immediately before and immediately after giving effect to such transaction, no Event of Default (as hereinafter defined) has occurred and is continuing;
- (iii) immediately after giving effect to such transaction, the Successor could incur at least \$1.00 of Non-Consolidated Indebtedness under such Supplemental Indenture that includes a covenant restricting the amount of Non-Consolidated Indebtedness<sup>2</sup> the Company may incur; and
- (iv) the Company has delivered to the Indenture Trustee a certificate and an opinion of counsel each stating that such consolidation, amalgamation, merger, sale, lease or transfer and such Supplemental Indenture comply with the provisions within the Trust Indenture and that all conditions precedent contained in the Trust Indenture, as supplemented, relating to such transaction have been complied with.

#### Certain Covenants in the Trust Indenture

The Trust Indenture will contain covenants substantially to the following effect, in addition to those that will be prescribed in the Trust Indenture.

#### Non-Consolidated Interest Coverage Ratio

The Company will maintain at all times a ratio of Non-Consolidated EBITDA<sup>3</sup> to Non-Consolidated Interest Expense<sup>4</sup> of not less than 1.65 to 1.00, calculated from time to time, in accordance with the Trust Indenture in respect of the most recently completed four fiscal quarters for which consolidated financial statements of the Company have been publicly released preceding the date of calculation.

<sup>2</sup> **"Non-Consolidated Indebtedness"** of any Person means (without duplication), determined, in the case of the Company, on a Non-Consolidated Basis, (i) any obligation of such Person for borrowed money (including, for greater certainty, the full principal amount of convertible debt of the Company, notwithstanding its presentation on the Company's balance sheet prepared on a Non-Consolidated Basis), (ii) any obligation of such Person incurred in connection with the acquisition of property, assets or businesses, (iii) any obligation of such Person issued or assumed as the deferred purchase price of property, (iv) any Finance Lease Obligations of such Person, and (v) any obligations of the type referred to in clauses (i) through (iv) of another Person, the payment of which such Person has guaranteed or for which such Person is responsible or liable; provided that, for the purpose of clauses (i) through (v) (except in respect of convertible debt, as described above), an obligation will constitute Non-Consolidated Indebtedness only to the extent that it would appear as a liability on the balance sheet of such Person prepared, in the case of the Company, on a Non-Consolidated Basis. Obligations referred to in clauses (i) through (iii) exclude trade accounts payable, dividends payable to shareholders, accrued liabilities arising in the ordinary course of business which are not overdue or which are being contested in good faith, indebtedness with respect to the unpaid balance of installment receipts, where such indebtedness has a term not in excess of 12 months, intangible liabilities, deferred revenues and deferred income taxes, all of which will be deemed not to be Non-Consolidated Indebtedness for the purposes of this definition.

<sup>3</sup> **"Non-Consolidated EBITDA"** of the Company for any period means Non-Consolidated Net Income plus the distributions from the REIT Investments and excluding the sum of (to the extent included in calculating Non-Consolidated Net Income) and calculated without duplication and on a Non-Consolidated Basis, (i) Non-Consolidated Interest Expense, (ii) any gain or loss attributable to the sale or other disposition of some or all of any assets or liabilities of the Company, including dilution gains or losses, (iii) fair value adjustments to real estate properties as shown on the Company's income statement prepared on a Non-Consolidated Basis, (iv) acquisition related costs, (v) debt settlement and other costs, (vi) amortization of real estate properties, (vii) amortization of cash flow hedge, (viii) amortization of deferred expenses, (ix) fair value adjustments on financial derivative instruments, (x) fair value adjustments on the Company's stock appreciation rights plan, (xi) nonrecurring items, (xii) other non-cash items impacting Non-Consolidated Net Income, and (xiii) Non-Consolidated Income Tax Expense for such period.

#### Restrictions on Additional Non-Consolidated Indebtedness

Subject to incurring certain permitted indebtedness as will be described in the Trust Indenture, the Company will not incur or assume, or permit any Subsidiary to incur or assume, any Non-Consolidated Indebtedness of the Company unless the quotient (expressed as a percentage) obtained by dividing the Non-Consolidated Indebtedness of the Company by the Non-Consolidated Aggregate Assets<sup>5</sup> (in each case such amounts, less cash or cash equivalents on hand), calculated on a pro forma basis as described below (the “Indebtedness Percentage”), would be less than or equal to 65%. The Trust Indenture will provide that the Indebtedness Percentage will be calculated on a pro forma basis as at the date of the Company’s most recently published balance sheet (the “Balance Sheet Date”) giving effect to the incurrence of the Non-Consolidated Indebtedness of the Company to be incurred and the application of the proceeds therefrom and to any other event that has increased or decreased Non-Consolidated Indebtedness or Non-Consolidated Aggregate Assets since the Balance Sheet Date to the date of calculation.

#### Equity Maintenance

The Company will maintain Non-Consolidated Adjusted Shareholders’ Equity<sup>6</sup> of not less than \$300 million, determined as at the date of the Company’s most recently published consolidated balance sheet.

#### Change of Control

In the event of a (1) the direct or indirect sale, transfer, lease or other disposition in one or a series of related transactions of all or substantially all of the assets of the Company and its subsidiaries, taken as a whole, other than any such sale, transfer, lease or disposition to any of its subsidiaries; or (2) the consummation of any transaction including, without limitation, any merger, amalgamation, arrangement, consolidation or issue of voting securities the result of which is that any person or group of persons acting jointly or in concert for purposes of such transaction, other than a Permitted Holder, becomes the beneficial owner, directly or indirectly, of more than 50% of the voting rights attaching to all voting securities or securities convertible or exchangeable into or carrying the right to acquire voting securities of the Company or of any such consolidated, amalgamated, merged or other continuing entity, measured by voting power rather than number of securities (the “Change of Control”), each holder of the Senior Debentures may require the Company to repurchase, the Senior Debentures, in whole or in part, at a price equal to 101% of the principal amount of such Debentures thereof plus accrued and unpaid interest.

#### Defeasance

The Trust Indenture contains provisions requiring the Indenture Trustee to release the Company from its obligations under any Supplemental Indenture and the Trust Indenture relating to a series of outstanding Debt Securities (including the Debentures), provided that, among other things, the Company satisfies the Indenture Trustee that it has deposited funds or made due provision for the payment of (i) the expenses of the Indenture Trustee and (ii) all principal, Premium (if any), interest and other amounts due or to become due in respect of such series of Debt Securities.

#### Events of Default

If an event of default has occurred and is continuing, the Indenture Trustee may, in its discretion, or will,

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<sup>4</sup> “**Non-Consolidated Interest Expense**” of the Company for any period means the aggregate amount of interest expense (including that portion attributable to Finance Lease Obligations) of the Company, computed on a Non-Consolidated Basis, in respect of Non-Consolidated Indebtedness, and, to the extent interest has been capitalized on projects that are under development during the period, the amount of interest so capitalized, all as determined on a Non-Consolidated Basis.

<sup>5</sup> “**Non-Consolidated Aggregate Assets**” of the Company as of any date means the total assets of the Company, excluding goodwill and deferred income tax assets and including accumulated amortization of real estate properties, determined on a Non-Consolidated Basis.

<sup>6</sup> “**Non-Consolidated Adjusted Shareholders’ Equity**” of the Company, at any time, means the aggregate of the amount of shareholders’ equity of the Company determined on a Non-Consolidated Basis, adjusted, as and to the extent applicable, to remove the following items, without duplication, as shown on the Company’s balance sheet prepared on a Non-Consolidated Basis: (i) the amount of accumulated amortization of real estate properties and (ii) deferred income tax assets and liabilities.

upon receiving written instruction from the holders of at least 25% of the aggregate principal amount of the outstanding Debt Securities of such series, accelerate the maturity of all Debt Securities of such series; provided that, notwithstanding any other provisions of the Trust Indenture, after such acceleration, but before a judgment or decree based on acceleration, the holders of a majority in aggregate principal amount of outstanding Debt Securities of that series may instruct the Indenture Trustee to rescind and annul such acceleration in certain circumstances described in the Trust Indenture. Notwithstanding the foregoing, if the Company or any material subsidiary is subject to certain events of bankruptcy, insolvency, winding-up or dissolution related to the Company or a material subsidiary, all outstanding Debt Securities will become immediately due and payable without any declaration or other act on the part of the Indenture Trustee or any holder of Debt Securities.

#### Modification and Waiver

Certain rights of the holders of Debt Securities issued under the Trust Indenture and any Supplemental Indenture may be modified if authorized by Extraordinary Resolution<sup>7</sup>. If the proposed modification affects the rights of the holders of a separate series of Debt Securities rather than all of the Debt Securities, the approval of a like proportion of the holders of such separate series of Debt Securities outstanding will be required. Notwithstanding the above, the approval of holders of 75% of the outstanding principal amount of Debt Securities of any series (including the Debentures) will be required (a) to change the stated maturity of the principal of, the redemption price of, or any Premium or instalment of interest on, any Debt Securities of such series, (b) to reduce the principal amount of, or interest or Premium (if any) on, any Debt Securities of such series, (c) to change the place or currency of payment of the principal of, Premium (if any) on, redemption price of or interest on, any Debt Securities of such series, or (d) to amend the percentage of Debt Securities of such series necessary to approve an Extraordinary Resolution. The holders of a majority of the outstanding principal amount of the Debt Securities of a series, on behalf of all holders of Debt Securities of that series, may waive compliance by the Company with certain restrictive provisions of the Trust Indenture relating to such series. Subject to certain rights of the Indenture Trustee as provided in the Trust Indenture, the holders of a majority of the outstanding principal amount of the Debt Securities of a series, on behalf of all holders of Debt Securities of such series, may waive certain events of default under the Trust Indenture with respect to such series of Debt Securities.

#### Payment of Interest and Principal

The Company expects that the depository, CDS Clearing and Depository Services Inc., as registered holder of the global certificate representing each series of Senior Debentures, upon receipt of any payment of principal or interest in respect of a global debenture, will credit participants' accounts, on the date principal or interest is payable, with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global debenture as shown on the records of the depository. The Company also expects that payments of principal and interest by participants to the owners of beneficial interests in such global debenture held through such participants will be governed by standing instructions and customary practices, as is the case with securities registered in "street name", and will be the responsibility of such participants. The responsibility and liability of the Company and the Indenture Trustee in respect of debentures represented by the global debenture is limited to making payment of any principal and interest due on such global debenture to the depository.

#### **CREDIT RATING**

On December 10, 2013, DBRS publicly confirmed that the Senior Debentures have a long-term credit rating of "BBB (low)", with a "Stable" trend. On May 3, 2016, DBRS confirmed the rating of the Senior

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<sup>7</sup> For the purposes of the Senior Trust Indenture, "Extraordinary Resolution" means, with respect to modifications which affect any series of Debt Securities generally, instruments in writing signed by the holders of 66% of the outstanding principal amount of such series of Debt Securities or a resolution passed as an Extraordinary Resolution by the affirmative votes of the holders of not less than 66%, or with respect to certain significant changes, including the maturity date, principal amount or a reduction in the interest rate of the Debt Securities of any series, instruments in writing signed by the holders of 75% of the outstanding principal amount of such series of Debt Securities or a resolution passed by 75% of the principal amount of the Debt Securities of such series represented and voting on a poll at a meeting of holders of the Debt Securities of such series duly convened and held in accordance with the provisions of the Trust Indenture.

Debentures at BBB (low) with a stable trend and, since that date, DBRS has not made any announcement, and Morguard is not aware of any proposed announcement to be made, to the effect that DBRS is reviewing or intends to revise or withdraw such rating. DBRS provided credit ratings of debt securities for commercial entities and the following description has been sourced from information made publicly available by DBRS.

Long-term ratings assigned by DBRS provide an opinion of DBRS on the risk of default; that is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued. DBRS' long-term credit ratings scale ranges from "AAA" (typically assigned to obligations of the highest credit quality) to "D" (typically assigned to obligations in default, obligations that clearly will be in default in the near future or obligations that have been subject to a distressed exchange).

The BBB (with a Stable trend) rating assigned to the Senior Debentures by DBRS is the fourth highest rated obligation after those rated "AAA", "AA" and "A" and is, in DBRS' view, of adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. DBRS indicates that "BBB" rated obligations may be vulnerable to future events. All DBRS rating categories other than "AAA" and "D" also contain subcategories "(high)" and "(low)". The addition of either a "(high)" or "(low)" designation indicates the relative standing within a rating category. DBRS uses "rating trends" for its ratings in, among other areas, the real estate sector. DBRS' rating trends provide guidance in respect of DBRS' opinion regarding the outlook for the rating in question, with rating trends falling into one of three categories: "Positive", "Stable" or "Negative". The rating trend indicates the direction in which DBRS considers the rating is headed should present tendencies continue, or in some cases, unless challenges are addressed. In general, DBRS' view is based primarily on an evaluation of the issuing entity or guarantor itself, but may also include consideration of the outlook for the industry or industries in which the issuing entity operates. A "Positive" or "Negative" trend assigned by DBRS is not an indication that a rating change is imminent, but represents an indication that there is a greater likelihood that the rating could change in the future than would be the case if a "Stable" trend was assigned.

There can be no assurance that a rating will remain in effect for any given period of time or that a rating will not be lowered, withdrawn or revised by DBRS if in its judgment circumstances so warrant. The rating of the Debentures is not a recommendation to buy, sell or hold such securities, inasmuch as such rating does not comment as to market price or suitability for a particular investor.

The Company has paid customary rating fees to DBRS in connection with the above-mentioned rating and will continue to pay customary rating fees to DBRS in the ordinary course, from time to time, in connection with the confirmation of such rating and future offerings of certain debt securities of the Company. The Company did not make any payments to DBRS in respect of any other service provided to the Company by DBRS.

## ITEM 6 MARKET FOR SECURITIES

Common Shares of the Company are listed and posted for trading on the Toronto Stock Exchange under the symbol "MRC". During fiscal 2016 the price of the Company's Common Shares traded from a low of \$122.51 to a high of \$179.05.

The following table sets forth the reported high and low trading prices and trading volumes of the Company's common December 31, 2016.

Month	Price (\$)		Volume
	High	Low	
January	136.79	122.51	36,377
February	136.88	124.25	54,775
March	145.50	1136.90	37,524
April	151.99	138.00	38,524
May	155.99	149.71	34,318
June	165.94	150.00	40,305
July	173.49	160.25	37,076
August	188.50	170.00	22,830
September	182.32	170.07	19,290
October	181.00	168.00	19,8806
November	179.05	166.51	35,751
December	178.49	166.39	34,548

## ITEM 7 DIRECTORS AND OFFICERS

The directors and officers of the Company and their municipalities of residence and principal occupations are set forth below. Except as otherwise stated, during the past five years all officers and directors have been employed in various capacities by the Company or by the companies or firms indicated opposite their names.

Name and Municipality of Residence	Office	Date Elected/Appointed as Director	Principal Occupation	Common Shares Beneficially Owned, Directly or Indirectly
Brian Athey <i>Toronto, Ontario</i>	Vice President, Development	-	Executive Officer of the Company	nil
Chris J. Cahill <sup>(3)</sup> <i>Paris, France</i>	Director	May 13, 2015	Chief Executive Officer, Luxury Brands, Accor Hotels	3,000
Beverley G. Flynn <i>Toronto, Ontario</i>	Secretary & Vice President, General Counsel	-	Executive Officer of the Company	4,000
David A. King <sup>(2)(4)</sup> <i>Victoria, British Columbia</i>	Vice Chairman, Director	August 31, 1990	Corporate Director	85,256*
Robert McFarlane <i>Mississauga, Ontario</i>	Vice President	-	Executive Officer of the Company	nil
Paul Miatello <i>Toronto, Ontario</i>	Chief Financial Officer	-	Executive Officer of the Company	10,514
Timothy J. Murphy <sup>(2)(3)</sup> <i>Toronto, Ontario</i>	Director	May 24, 2006	Lawyer, McMillan LLP	300

Name and Municipality of Residence	Office	Date Elected/Appointed as Director	Principal Occupation	Common Shares Beneficially Owned, Directly or Indirectly
Michael S. Robb <sup>(1)(3)</sup> <i>Newport Coast, CA, U.S.A.</i>	Director	May 14, 2013	Corporate Director	nil
Bruce K. Robertson <sup>(1) (2) (4)</sup> <i>Toronto, Ontario</i>	Director	May 18, 2010	Vice President, Investments, The Woodbridge Company Limited	8,500**
K. Rai Sahi <sup>(4)</sup> <i>Mississauga, Ontario</i>	Chairman, Chief Executive Officer, Director	August 31, 1990	Chief Executive Officer of the Company	6,691,000***
Leonard Peter Sharpe <sup>(1)(3)(4)</sup> <i>Toronto, Ontario</i>	Director	November 2, 2010	Corporate Director	3,000
Robert D. Wright <i>Carlisle, Ontario</i>	Vice President		Chief Financial Officer of Morguard North American Residential REIT	nil

(1) Member of Audit Committee

(2) Member of the Human Resources, Compensation & Pension Committee

(3) Member of the Corporate Governance & Nominating Committee

(4) Member of the Investment Committee

\*In addition to his holdings in the Company, Mr. King holds 26,875 units of Morguard REIT and 3,000 units of Morguard Residential REIT.

\*\*In addition to his holdings in the Company, Mr. Robertson holds 23,700 units of Morguard REIT and 379,500 units of Morguard Residential REIT.

\*\*\*In addition to his holdings in the Company, Mr. Sahi holds 1,645,282 units of Morguard REIT and 931,077 units of Morguard Residential REIT.

Chris J. Cahill was appointed the Chief Executive Officer, Luxury Brands for AccorHotels in July 2016. Mr. Cahill has almost 40 years' experience in the hotel industry, serving in senior management roles in several international hotel companies, recently as Executive Vice President of Global Operations of Las Vegas Sands Corp. (2012-2014) and President and Chief Operating Officer of Fairmont Raffles Hotels International (2006-2012). Mr. Cahill has previously served as a trustee of Legacy Hotels Real Estate Investment Trust and a board member of the Canadian Tourism Commission, a public private partnership.

Michael Robb is an executive director of the Center for Real Estate at The Paul Merage School of Business at the University of California and a member of the Policy Advisory Board at the Fisher Center for Real Estate & Urban Economics at the University of California, Berkeley Haas School of Business. He is an occasional lecturer at the University of San Diego and the University of California, Irvine. Mr. Robb retired in 2012 after more than 35 years with Pacific Life Insurance Company, serving in many senior roles including head of the Real Estate Division, Executive Vice President and as a member of Pacific Life's Management Investment Committee and Corporate Management Committee.

Bruce K. Robertson, CPA, CA, has been Vice President, Investments of The Woodbridge Company Limited since September 2013. From 2009 to August 2013 he served as a principal at Grandview Capital, a Canadian merchant bank. Mr. Robertson was previously Senior Managing Partner of Brookfield Asset Management Inc., a specialty asset manager, where he served in number of senior management capacities.

Leonard Peter Sharpe is a corporate director and served as a senior executive with 25+ years of experience in the real estate industry in both a domestic and global commercial environment. Mr. Sharpe previously served as President and Chief Executive Officer of The Cadillac Fairview Corporation Limited for over 10 years and is currently a director of the Sunnybrook Foundation, board member of International Council of Shopping Centres, Multiplan (Rio de Janeiro, Brazil) and Postmedia Network Inc.

The term of office of each director expires at the close of each annual general meeting of shareholders of the Company. The following are committees of the board of Morguard: Corporate Governance and Nominating Committee; Audit Committee; Human Resources, Compensation and Pension Committee; and Investment Committee. The directors and officers of the Company, as a group, beneficially own, or exercise control or direction 6,805,570 Common Shares representing approximately 57.08% of the issued and outstanding Common Shares of the Company.

#### **CEASE TRADE ORDERS, BANKRUPTICIES, PENALTIES OR SANCTIONS**

No Director or executive officer of the Company has within 10 years become subject to any proceedings with creditors, or any securities or other penalties or been involved with any company that was subject to cease trade or other securities order or proceedings with creditors other than Mr. Robertson who, consistent with the business of Grandview Capital, was appointed to the board of Yellow Media Inc. in January 2012 and was also appointed Chairman of the Financing Committee. In December 2012, Yellow Media successfully completed a Plan of Arrangement pursuant to the *Companies' Creditors Arrangement Act*, pursuant to which Yellow Media recapitalized the company. Upon completion of the arrangement, Mr. Robertson resigned from the Board of Directors.

#### **ITEM 8 LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

Morguard is occasionally named as a party in various claims and legal proceedings which arise during the normal course of its business. The Company reviews each of these claims, including the nature of the claim, the amount in dispute or claimed and the availability of insurance coverage. Although there can be no assurance that any particular claim will be resolved in Morguard's favour, the Company does not believe that the outcome of any claims or potential claims of which it is currently aware will have a materially adverse effect on the Company, taken as a whole.

#### **ITEM 9 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as disclosed in this Form, the Company is not aware of any material interest of any current or proposed director or officer of the Company in any transaction since January 1, 2016 or in any proposed transaction that has materially affected or will materially affect the Corporation.

#### **ITEM 10 TRANSFER AGENT AND REGISTRAR**

The transfer agent and registrar for the Company is Computershare Trust Company of Canada having an address at 100 University Avenue, 8<sup>th</sup> floor, Toronto, Ontario, M5J 2Y1.

#### **ITEM 11 MATERIAL CONTRACTS**

None noted.

#### **ITEM 12 INTERESTS OF EXPERTS**

Ernst & Young LLP ("EY"), the Company's external auditors, have prepared the audit report on the audited comparative consolidated financial statements of the Company as at and for the years ended December 31, 2016 and 2015. EY is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

## ITEM 13 AUDIT COMMITTEE INFORMATION

The Audit Committee is responsible for reviewing the Company's financial reporting policies and procedures, internal controls and performance of the Company's external auditors and subsequently reporting to the Board of Directors regarding these and other financial matters.

The Audit Committee is responsible for reviewing quarterly financial statements and the annual financial statements, and the accompanying management discussion and analysis of financial results, prior to their approval by the Board of Directors. The Audit Committee is also responsible for insurance risk management of the Company.

The Audit Committee charter sets out its purpose, responsibilities and duties, qualifications for membership, accountability and reporting to the Board of Directors. A copy of the Audit Committee charter is attached as Appendix "C".

The Audit Committee is comprised of three directors. The members of the Audit Committee are Bruce Robertson (Chair), L. Peter Sharpe, and Michael Robb. Messrs. Sharpe, Robb and Robertson are independent directors. The following describes the relevant education and experience of the Audit Committee members.

Mr. Sharpe is a corporate director and served as a senior executive with 25+ years of experience in the real estate industry in both a domestic and global commercial environment. Mr. Sharpe previously served as President and Chief Executive Officer of The Cadillac Fairview Corporation Limited for over 10 years and is currently a director of the Sunnybrook Foundation, board member of International Council of Shopping Centres, Multiplan (Rio de Janeiro, Brazil) and Postmedia Network Inc.

Mr. Robb has more than 35 years experience in the financing and real estate industry, most recently as executive director of the Center for Real Estate at The Paul Merage School of Business at the University of California, Irvine and head of the Real Estate Division, Executive Vice President, Pacific Life Insurance Company.

Mr. Robertson CPA, CA, has more than two decades experience in financing and real estate including senior roles at Brookfield Asset Management Inc. and The Woodbridge Company Limited.

The Audit Committee has adopted a policy regarding the provision of non-audit services by the Company's external auditors. The policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires the Audit Committee's pre-approval of permitted audit and audit-related services. The policy specifies a number of services that are not permitted to be performed by the Company's external auditors, including the use of external auditors for financial information design and implementation assignments.

Additional information, including external auditor fees by category, is contained in the most recently released Management Information Circular of the Company.

## ITEM 14 ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of securities, and securities authorized for issuance under equity compensation plans, is contained in the Management Information Circular for 2016 for the Company's annual meeting of shareholders.

Selected financial information is included in Appendix "A" to this Annual Information Form. Additional financial information is provided in the comparative financial statements for the fiscal year ended December 31, 2016 and in the annual management discussion and analysis of financial condition, which is incorporated herein by reference.

You may access additional information relating to the Company, including the Company's disclosure documents, on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.morguard.com](http://www.morguard.com).

APPENDIX A

SELECTED FINANCIAL INFORMATION

As at	December 31, 2016	December 31, 2015	December 31, 2014
Real estate properties	<b>\$7,919,6711</b>	\$7,816,302	\$7,346,321
Hotel properties	<b>705,663</b>	115,560	112,990
Equity-accounted and other fund investments	<b>380,808</b>	329,320	147,635
Total assets	<b>9,588,078</b>	8,602,132	7,993,684
Indebtedness	<b>\$4,778,750</b>	\$4,183,810	\$3,808,296
Indebtedness to total assets (%)	<b>49.8</b>	48.6	47.6
Total equity	<b>\$3,671,131</b>	\$3,481,997	\$3,358,587
Shareholders' equity per common share	<b>239.98</b>	224.94	202.27
Exchange rates - Canadian dollar to U.S. dollar	<b>\$0.74</b>	\$0.72	\$0.86
Exchange rates - U.S. dollar to Canadian dollar	<b>\$1.34</b>	\$1.38	\$1.16

For the years ended December 31	2016	2015	2014
Revenue from real estate properties	<b>\$775,746</b>	\$762,033	\$426,667
Revenue from hotel properties	<b>66,567</b>	46,562	46,141
Management and advisory fees	<b>67,895</b>	59,536	73,440
Total revenue	<b>921,976</b>	883,559	566,326
Net operating income	<b>453,398</b>	435,899	241,193
Fair value gain (loss), net	<b>(51,794)</b>	(87,301)	24,277
Net income attributable to common shareholders	<b>172,745</b>	80,542	136,703
Per common share - basic and diluted	<b>14.46</b>	6.58	10.92
Funds from operations	<b>213,282</b>	183,139	152,053
Per common share - basic and diluted	<b>17.86</b>	14.96	12.14
Normalized FFO	<b>198,299</b>	194,476	158,043
Per common share - basic and diluted	<b>16.60</b>	15.89	12.45
Distributions received from Morguard REIT	<b>30,151</b>	28,371	26,717
Distributions received from Morguard Residential REIT	<b>13,752</b>	13,601	13,601
Dividends declared (paid)	<b>(7,163)</b>	(7,305)	(7,476)
Average exchange rates - Canadian dollar to U.S. dollar	<b>\$0.76</b>	\$0.78	\$0.91
Average exchange rates - U.S. dollar to Canadian dollar	<b>\$1.32</b>	\$1.28	\$1.10

**APPENDIX B**  
**PROPERTY INFORMATION**

**MULTI-SUITE RESIDENTIAL PORTFOLIO**

Property	City	Province/ State	Ownership	Ownership Interest (%)	Total Suites	Ownership Suites	Occupancy (%) <sup>(1)</sup>
<b>CANADA</b>							
Mayfair Village South	Edmonton	AB	MRC	100	237	237	100%
Square 104	Edmonton	AB	MRG	100	277	277	82%
Margaret Place	Kitchener	ON	MRG	100	472	472	100%
Aspen Grove I	Mississauga	ON	MRC	95	168	160	100%
Aspen Grove II	Mississauga	ON	MRC	95	168	160	100%
Meadowvale Gardens	Mississauga	ON	MRG	100	325	325	99%
The Arista	Mississauga	ON	MRG	100	458	458	100%
The Elmwoods	Mississauga	ON	MRG	100	321	321	100%
The Forestwoods	Mississauga	ON	MRG	89	300	267	100%
The Maplewoods	Mississauga	ON	MRG	87	300	261	100%
The Valleywoods	Mississauga	ON	MRG	91	373	339	100%
Tomken Place	Mississauga	ON	MRG	100	142	142	100%
126 Sparks <sup>(1)</sup>	Ottawa	ON	MRC	100	36	36	-
160 Chapel	Ottawa	ON	MRG	100	370	370	100%
Leaside Towers	Toronto	ON	MRC	100	989	989	98%
Rideau Towers I	Toronto	ON	MRG	90	287	258	98%
Rideau Towers II	Toronto	ON	MRG	100	380	380	98%
Rideau Towers III	Toronto	ON	MRG	100	474	474	100%
Rideau Towers IV	Toronto	ON	MRG	100	400	400	100%
Rouge Valley Residence	Toronto	ON	MRG	100	396	396	99%
The Bay Club	Toronto	ON	MRC	100	293	293	98%
The Heathview	Toronto	ON	MRC	100	587	587	94%
The Colonnade	Toronto	ON	MRC	100	157	157	98%
Condominium Suites	Toronto	ON	MRC	100	4	4	100%
<b>Subtotal</b>					<b>7,914</b>	<b>7,763</b>	<b>98%</b>

(1) Furnished suites excluded from occupancy.

**MULTI-SUITE RESIDENTIAL PORTFOLIO**

Property	City	Province/ State	Ownership	Ownership Interest (%)	Total Suites	Ownership Suites	Occupancy (%) <sup>(1)</sup>
<b>U.S.</b>							
Sunset & Gordon	Los Angeles	CA	MRC	59	299	176	-
Retreat at City Center	Aurora	CO	MRG	100	225	225	91%
Settlers' Creek	Fort Collins	CO	MRG	100	229	229	90%
The Retreat at Spring Park	Garland	TX	MRG	100	188	188	94%
Grand Venetian at Las Colinas	Irving	TX	MRG	100	514	514	93%
Verandah at Valley Ranch	Irving	TX	MRG	100	319	319	93%
Garden Lane	Gretna	LA	MRG	100	261	261	92%
Colonial Manor Apartment Homes	Harahan	LA	MRG	100	48	48	98%
Steeplechase Apartment Homes	Lafayette	LA	MRG	100	192	192	94%
Magnolia Place Apartment Homes	New Iberia	LA	MRG	100	148	148	87%
The Georgian Apartments	New Orleans	LA	MRG	100	135	135	92%
Villages of Williamsburg	Shreveport	LA	MRG	100	194	194	91%
Greenbrier Estates	Slidell	LA	MRG	100	144	144	94%
Alta at K Station	Chicago	IL	MRC	100	848	848	92%
The Marquee at Block 37	Chicago	IL	MRC	49	691	339	-
Bel Air Apartment Homes	Mobile	AL	MRG	100	202	202	91%
Hampton Park	Mobile	AL	MRG	100	300	300	92%
Pine Bend	Mobile	AL	MRG	100	152	152	93%
The Estates at Lafayette Square	Mobile	AL	MRG	100	675	675	93%
Briarhill Apartments	Atlanta	GA	MRG	100	292	292	94%
The Savoy Luxury Apartments	Atlanta	GA	MRG	100	232	232	93%
Barrett Walk Luxury Apartment Homes	Kennesaw	GA	MRG	100	290	290	96%
210 Watermark	Bradenton	FL	MRG	100	216	216	98%
Blue Isle Apartment Homes	Coconut Creek	FL	MRG	100	340	340	89%
2940 Salano at Monterra	Cooper City	FL	MRG	51	252	130	93%
Emerald Lake Apartments	Lake Worth	FL	MRC	100	337	337	96%
Governors Gate I	Pensacola	FL	MRG	100	240	240	91%
Governors Gate II	Pensacola	FL	MRG	100	204	204	90%
Jamestown Estates	Pensacola	FL	MRG	100	177	177	93%
Woodcliff Apartment Homes	Pensacola	FL	MRG	100	184	184	95%
Woodbine Apartment Homes	Riviera Beach	FL	MRG	100	408	408	96%
Mallory Square	Tampa	FL	MRG	100	383	383	95%
Village Crossing Apartment Homes	West Palm Beach	FL	MRG	100	189	189	95%
The Lodge at Crossroads	Cary	NC	MRG	100	432	432	94%
Perry Point Ultimate Apartments	Raleigh	NC	MRG	100	432	432	95%
<b>Subtotal</b>					<b>10,372</b>	<b>9,774</b>	<b>93%</b>
<b>TOTAL MULTI-SUITE RESIDENTIAL</b>					<b>18,286</b>	<b>17,537</b>	<b>96%</b>

(1) Development properties currently under initial lease-up and stabilization are excluded from occupancy.

**RETAIL PORTFOLIO**

Property	City	Prov.	Ownership	Ownership Interest (%)	Total Area (SF)	Ownership Area (SF)	Occupancy (%)
<b>CANADA</b>							
Burquitlam Plaza	Coquitlam	BC	MRT	100	67,500	67,500	91%
Pine Centre Mall	Prince George	BC	MRT	100	476,000	476,000	99%
Shelbourne Plaza	Victoria	BC	MRT	100	57,000	57,000	100%
Airdrie Co-op Centre	Airdrie	AB	MRT	100	65,000	65,000	100%
Airdrie RONA Centre	Airdrie	AB	MRT	100	44,000	44,000	100%
Heritage Towne Centre	Calgary	AB	MRT	100	131,000	131,000	100%
Prairie Mall	Grande Prairie	AB	MRC/MRT	100	297,000	297,000	97%
Parkland Mall	Red Deer	AB	MRT	100	429,500	429,500	76%
The Centre	Saskatoon	SK	MRT	100	503,000	503,000	96%
Shoppers Mall	Brandon	MB	MRT	100	367,000	367,000	96%
Charleswood Centre	Winnipeg	MB	MRT	100	116,000	116,000	98%
Southdale Centre	Winnipeg	MB	MRT	100	175,500	175,500	98%
Aurora Centre	Aurora	ON	MRT	100	288,500	288,500	100%
Bramalea City Centre	Brampton	ON	MRC	21	1,423,500	295,000	98%
Cambridge Centre	Cambridge	ON	MRT	100	726,500	726,500	98%
Market Square	Kanata	ON	MRT	100	58,000	58,000	96%
Wonderland Corners	London	ON	MRT	100	47,500	47,500	83%
Kingsbury Centre	Mississauga	ON	MRT	100	70,000	70,000	95%
Hampton Park Plaza	Ottawa	ON	MRT	100	102,000	102,000	94%
Home Base	Ottawa	ON	MRT	100	10,000	10,000	100%
St. Laurent	Ottawa	ON	MRT	100	853,000	853,000	99%
100 Cavell Avenue	Toronto	ON	MRC	100	5,500	5,500	84%
Centerpoint Mall	Toronto	ON	MRC	100	603,000	603,000	100%
East York Town Centre	Toronto	ON	MRC	100	378,500	378,500	78%
The Colonnade	Toronto	ON	MRC	100	97,000	97,000	86%
Yonge & McGill	Toronto	ON	MRC	100	7,500	7,500	100%
Guildwood Village							
Shopping Centre	Toronto	ON	MRC	100	52,500	52,500	100%
Woodbridge Square	Vaughan	ON	MRT	50	113,000	56,500	100%
<b>Subtotal</b>					<b>7,564,500</b>	<b>6,379,500</b>	<b>96%</b>

## RETAIL PORTFOLIO

Property	City	Province/ State	Ownership	Ownership Interest (%)	Total Area (SF)	Ownership Area (SF)	Occupancy (%)
<b>U.S.</b>							
Westgate Shopping Center	Alexandria	LA	MRC	100	167,500	167,500	97%
Gonzales Plaza	Gonzales	LA	MRC	100	73,000	73,000	95%
Colonial Shopping Center	Harahan	LA	MRC	100	44,000	44,000	100%
Southland Mall	Houma	LA	MRC	100	445,500	445,500	69%
Airline Park Shopping Center	Matairie	LA	MRC	100	53,500	53,500	100%
North Shore Square	Slidell	LA	MRC	100	428,500	428,500	83%
Alta at K Station	Chicago	IL	MRC	100	13,500	13,500	100%
Boynton Town Center	Beach	FL	MRC	100	209,500	209,500	96%
Weeki Wachee Village	Brooksville	FL	MRC	100	82,500	82,500	89%
Rainbow Square	Dunnellon	FL	MRC	100	116,000	116,000	62%
Florida Shores Plaza	Edgewater	FL	MRC	100	79,500	79,500	100%
Lantana Plaza	Lake Worth	FL	MRC	100	245,500	245,500	99%
Town & Country Shopping Center	Palatka	FL	MRC	100	196,500	196,500	100%
Westward Shopping Center	West Palm Beach	FL	MRC	100	229,000	229,000	91%
<b>Subtotal</b>					<b>2,384,000</b>	<b>2,384,000</b>	<b>86%</b>
<b>TOTAL RETAIL</b>					<b>9,948,500</b>	<b>8,763,500</b>	<b>93%</b>

## INDUSTRIAL PORTFOLIO

Property	City	Province/ State	Ownership	Ownership Interest (%)	Total Area (SF)	Ownership Area (SF)	Occupancy (%)
<b>CANADA</b>							
Maple Leaf Foods Dist. Centre	Puslinch	ON	MRC	59	284,000	167,500	100%
1875 Leslie	Toronto	ON	MRT	100	52,000	52,000	96%
2041-2151 McCowan	Toronto	ON	MRT	100	196,500	196,500	95%
279 Yorkland	Toronto	ON	MRT	100	18,000	18,000	100%
285 Yorkland	Toronto	ON	MRT	100	25,000	25,000	100%
825 Des Érables	Salaberry-de-Valleyfield	QC	MRT	50	485,000	242,500	100%
Industrial Portfolio	Various	Various	MRC	100	495,000	495,000	89%
<b>TOTAL INDUSTRIAL</b>					<b>1,555,500</b>	<b>1,196,500</b>	<b>94%</b>

**OFFICE PORTFOLIO**

Property	City	Province/ State	Ownership	Ownership Interest (%)	Total Area (SF)	Ownership Area (SF)	Occupancy (%)
<b>CANADA</b>							
111 Dunsmuir	Vancouver	BC	MRT	100	222,000	222,000	100%
Chancery Place	Vancouver	BC	MRT	100	142,500	142,500	100%
Seymour Place	Victoria	BC	MRT	100	235,500	235,500	100%
505 3rd Street SW	Calgary	AB	MRT	50	142,000	71,000	81%
7315 8th Street NE	Calgary	AB	MRT	100	19,500	19,500	100%
Centre 810	Calgary	AB	MRT	100	77,500	77,500	92%
Citadel West	Calgary	AB	MRT	100	78,500	78,500	100%
Deerport Centre	Calgary	AB	MRT	100	48,000	48,000	100%
Duncan Building	Calgary	AB	MRT	100	81,000	81,000	100%
National Bank Building	Calgary	AB	MRT	100	43,500	43,500	100%
Penn West Plaza	Calgary	AB	MRT	100	636,500	636,500	99%
Petroleum Plaza	Edmonton	AB	MRT	50	304,000	152,000	100%
Scotia Place	Edmonton	AB	MRT	20	577,500	115,500	86%
Keewatin Square	Regina	SK	MRC	100	37,500	37,500	100%
400 St. Mary	Winnipeg	MB	MRC	20	137,500	27,500	74%
444 St. Mary	Winnipeg	MB	MRC	20	247,500	49,500	92%
Quinte Consolidated Courthouse	Belleville	ON	MRC	50	173,000	86,500	100%
Bramalea City Centre (Office)	Brampton	ON	MRC	21	79,500	16,500	61%
201 City Centre Drive	Mississauga	ON	MRC	50	215,000	107,500	81%
2920 Matheson East	Mississauga	ON	MRC	50	232,000	116,000	96%
33 City Centre Drive	Mississauga	ON	MRC	50	211,000	105,500	77%
55 City Centre Drive	Mississauga	ON	MRC	50	175,000	87,500	96%
77 City Centre Drive	Mississauga	ON	MRC	50	195,000	97,500	89%
131 Queen Street	Ottawa	ON	MRC	100	329,500	329,500	97%
301 Laurier Avenue	Ottawa	ON	MRT	50	26,000	13,000	100%
350 Sparks Street	Ottawa	ON	MRC	100	173,000	173,000	67%
525 Coventry	Ottawa	ON	MRT	100	42,500	42,500	100%
CBC Ottawa Broadcast Centre	Ottawa	ON	MRC	100	251,500	251,500	100%
Green Valley Office Park	Ottawa	ON	MRT	100	123,000	123,000	96%
Heritage Place	Ottawa	ON	MRT	50	215,000	107,500	97%
Performance Court St. Laurent Business Centre	Ottawa	ON	MRC	50	367,000	183,500	88%
Standard Life	Ottawa	ON	MRT	100	88,000	88,000	73%
Time Square	Ottawa	ON	MRT	50	381,000	190,500	99%
200 Yorkland	Toronto	ON	MRT	100	149,500	149,500	89%
77 Bloor Street West	Toronto	ON	MRT	50	393,000	196,500	99%
945 Wilson Avenue Creekside Corporate Centre	Toronto	ON	MRC	32	228,000	73,000	100%
Leaside Corporate Centre	Toronto	ON	MRC	100	301,500	301,500	100%
Place Innovation	Toronto	ON	MRC	95	94,000	89,500	86%
Place Innovation	Saint-Laurent	QC	MRC / MRT	100	900,000	900,000	100%
Saint John City Hall	Saint John	NB	MRC	50	158,000	79,000	56%
<b>Subtotal</b>					<b>8,642,500</b>	<b>6,056,500</b>	<b>95%</b>

## OFFICE PORTFOLIO

Property U.S.	City	Province/State	Ownership	Ownership Interest (%)	Total Area (SF)	Ownership Area (SF)	Occupancy (%)
Palm Aire	Pompano Beach	FL	MRC	100	8,500	8,500	92%
<b>Subtotal</b>					<b>8,500</b>	<b>8,500</b>	<b>92%</b>
<b>TOTAL OFFICE</b>					<b>8,651,000</b>	<b>6,065,000</b>	<b>95%</b>

## HOTEL PORTFOLIO

Property	City	Province/State	Ownership	Ownership Interest (%)	Total Rooms	Ownership Rooms
Inn at the Quay	New Westminster	BC	TPH	100%	126	126
Acclaim Hotel Calgary Airport	Calgary	AB	TPH	100%	225	225
Hilton Garden Inn Clearwater Residence Hotel - Timberlea	Edmonton	AB	TPH	100%	160	160
Clearwater Suite Hotel	Fort McMurray	AB	TPH	100%	66	66
Cortona Residence	Fort McMurray	AB	TPH	100%	150	150
Franklin Suite Hotel	Fort McMurray	AB	TPH	100%	57	57
Merit Hotel & Suites	Fort McMurray	AB	TPH	100%	75	75
Nomad Hotel & Suites	Fort McMurray	AB	TPH	100%	160	160
Radisson Hotel & Suites Fort McMurray	Fort McMurray	AB	TPH	100%	164	164
Vantage Inn and Suites	Fort McMurray	AB	TPH	100%	134	134
Days Hotel and Suites	Fort McMurray	AB	TPH	100%	83	83
Sheraton Red Deer Hotel	Lloydminster	AB	TPH	100%	128	128
Holiday Inn Express Hotel & Suites	Red Deer	AB	TPH	100%	241	241
Temple Gardens Mineral Spa Resort Hotel	Sherwood Park	AB	TPH	100%	90	90
Wingate by Wyndham Regina	Moose Jaw	SK	TPH	100%	181	181
Saskatoon Inn & Conference Centre	Regina	SK	TPH	100%	118	118
Holiday Inn Winnipeg South	Saskatoon	SK	TPH	100%	257	257
Residence Inn	Winnipeg	MB	TPH	100%	170	170
Courtyard Marriott Markham	London	ON	TPH	50%	116	58
Residence Inn Marriott	Markham	ON	MRC	100%	144	144
Courtyard Marriott Mississauga	Markham	ON	MRC	100%	100	100
Hilton Garden Inn Toronto Airport West	Mississauga	ON	MRC	100%	144	144
Residence Inn Marriott	Mississauga	ON	TPH	100%	152	152
Courtyard Marriott	Mississauga	ON	MRC	100%	100	100
Holiday Inn Express Towne Place Suites by Marriott	Ottawa	ON	TPH	50%	183	92
Days Inn & Suites	Ottawa	ON	TPH	100%	115	115
Days Inn North	Sudbury	ON	TPH	100%	105	105
Courtyard by Marriott Toronto Airport	Thunder Bay	ON	TPH	100%	92	92
	Thunder Bay	ON	TPH	100%	92	92
	Toronto	ON	MRC	100%	168	168

**HOTEL PORTFOLIO**

Property	City	Province/ State	Ownership	Ownership Interest (%)	Total Rooms	Ownership Rooms
Hotel Carlingview Toronto Airport	Toronto	ON	MRC	100%	112	112
Residence Inn by Marriott Toronto Airport	Toronto	ON	MRC	100%	137	137
Toronto Airport Marriott	Toronto	ON	MRC	95%	424	403
Courtyard Marriott Vaughan Cambridge Suites Hotel	Vaughan	ON	MRC	100%	144	144
Halifax	Halifax	NS	TPH	100%	200	200
The Prince George Hotel Cambridge Suites Hotel	Halifax	NS	TPH	100%	203	203
Sydney	Sydney	NS	TPH	100%	145	145
Days Inn and Suites	Yellowknife	NT	TPH	100%	80	80
Stanton Suites Hotel	Yellowknife	NT	TPH	100%	106	106
<b>TOTAL HOTEL</b>					<b>5,647</b>	<b>5,477</b>

## PROPERTY DESCRIPTIONS

### MULTI-SUITE RESIDENTIAL PORTFOLIO PROPERTIES

#### CANADA

##### ALBERTA

*10047 109 Street North West, Edmonton, Alberta ("Mayfair Village South")*

Mayfair Village South is a high rise residential building consisting of 237 suites (27 two bedroom and 210 one bedroom) and 4,800 square feet of ground floor retail space. Newly built, amenities include parking, laundry on every floor and outdoor patio access. Mayfair Village South is located off Jasper Avenue, a major route, is close to the University of Alberta and Grant MacEwan College, and a short walk to neighbourhood restaurants, grocery stores and local retail. The property is an affordable living community, requiring residents to meet income qualifications.

*10404 104 Avenue, Edmonton, Alberta ("Square 104")*

Square 104 consists of two connecting mid rise apartment buildings situated in downtown Edmonton at the northeast corner of 105<sup>th</sup> Street and 104<sup>th</sup> Avenue, Edmonton, Alberta. Square 104 is located in close proximity to Grant MacEwan College, restaurants, pubs and downtown offices. The five-storey and four-storey buildings have elevator service and are situated on approximately four acres of land. The buildings include in-suite laundry facilities, a fitness centre and provide 285 underground parking spaces. The buildings were constructed in 2004 and contain a total of 277 suites consisting of one, two and three bedroom suites. In 2015, the lobby areas at both buildings were renovated.

##### ONTARIO

*305-315 Margaret Avenue, Kitchener, Ontario ("Margaret Place")*

Margaret Place consists of two high rise apartment buildings situated near the intersection of Victoria Street and Margaret Avenue in Kitchener, Ontario. Margaret Place is located in close proximity to St. Jacobs Farm and Craft Market, and the manufacturing hub and local retail establishments. The two 18-storey buildings have three elevators in each building, and are situated on approximately six acres of lush private parkland and contain a total of 472 suites consisting of one and two bedroom suites. Margaret Place includes hospitality suites, an indoor swimming pool and whirlpool, fitness centre, party room, saunas, billiards room, indoor bike room, indoor driving range, library, in-suite laundry facilities, and provides 437 underground parking spaces and 193 surface parking spaces. The buildings underwent capital improvements in 2007 and 2008 that included the roof replacement of building 305 and underground restoration in both buildings. Further renovations include a lighting retrofit completed in 2013, a roof replacement of 315 in 2015, and 2-year parking garage restoration project completed in 2016.

*1405 Mississauga Valley Boulevard, Mississauga, Ontario ("Aspen Grove I")*

Aspen Grove I is a high rise residential apartment building consisting of 168 suites, 74 outdoor parking spaces. Ten of which are assigned for visitors parking. Capital improvements include an elevator modernization completed in 2016.

Aspen Grove I & II are designed and built for senior living. The community offers amenities and resident activity programs; and is qualified under a rental supplement program with Peel Region Housing Authority. Morguard holds an undivided 95% interest in the property. The rights and obligations of the co-owners are set out in the Co-owners' Agreement.

*1563 Mississauga Valley Boulevard, Mississauga, Ontario ("Aspen Grove II")*

Aspen Grove II is a high rise residential apartment building consisting of 168 suites and 43 outdoor parking spaces. Ten of which are assigned for visitors parking. Capital improvements include an elevator modernization completed in 2016.

Aspen Grove I & II are designed and built for senior living. The community offers amenities and resident activity programs; and is qualified under a rental supplement program with Peel Region Housing Authority. Morguard holds an undivided 95% interest in the property. The rights and obligations of the co-owners are set out in the Co-owners' Agreement.

*2869 Battleford Road, Mississauga, Ontario ("Meadowvale Gardens")*

Meadowvale Gardens is a low rise residential complex comprised of 25 buildings, situated east of Winston Churchill and north of Battleford Road in Mississauga, Ontario. The 24 three-storey garden terrace suites and one mid rise building containing five stories are situated on approximately 8.6 acres of land and contain a total of 325 suites consisting of one, two and three bedroom suites. The buildings include an outdoor pool, fitness centre, party room, indoor bike room, children's playground, tennis and squash courts, saunas, laundry facilities and provide a total of 379 underground parking spaces and 169 surface parking spaces. Meadowvale Gardens is located in close proximity to public transportation, local retail establishments and Pearson International Airport, and is directly adjacent to Meadowvale Town Centre. It was constructed in 1977 and is built of cast-in-place concrete foundation and conventional wood frame structure with brick facade. The buildings underwent common area renovations in 2003. From 2007 to 2011, the buildings underwent further capital improvements that included roof replacements, underground garage and balcony restorations and an elevator modernization.

*3665 Arista Way, Mississauga, Ontario ("The Arista")*

The Arista is a high rise residential apartment building situated near the intersection of Hurontario Street and Burnhamthorpe Road in Mississauga, Ontario. The Arista is located in close proximity to public transportation, schools, Square One Shopping Centre, Pearson International Airport and within walking distance to local retail establishments. The building includes an outdoor pool, fitness centre, billiards room, party room, indoor bike room, saunas, laundry facilities, library and business centre with internet access. The 19-storey building has five elevators, is situated on approximately 9.7 acres of land and contains a total of 458 suites consisting of one, two and three bedroom suites and one commercial suite, which provides an onsite convenience store, and dry cleaners drop off. The building provides 607 underground parking spaces and 96 surface parking spaces. It was constructed in 1980 of cast-in-place foundation with pre-cast concrete walls and floors. The building underwent common area renovations in 2007 and had two new chillers installed in 2006. The building underwent a new life safety upgrade in 2009 and elevator modernization in 2015.

*30 Elm Drive East, Mississauga, Ontario ("The Elmwoods")*

The Elmwoods is a high rise residential apartment building situated east of Hurontario Street and south of Elm Drive in Mississauga, Ontario. The Elmwoods is located in close proximity to public transportation, a local hospital, local retail establishments and Pearson International Airport. The 19-storey building has three elevators, is situated on approximately 4.1 acres of land and contains a total of 321 suites consisting of bachelor, one, two and three bedroom suites. The building includes hospitality suites, a fitness centre, party room, saunas, a tennis court, a nine-hole mini putt course, a barbeque and picnic area, laundry facilities and provides 425 underground parking spaces and 65 surface parking spaces. The building was constructed in 1984 of cast-in-place foundation with precast concrete walls and floors. In 2006, the Elmwoods also underwent an energy saving lighting retrofit throughout the entire building. Capital improvements included an elevator modernization and underground parking restoration completed in 2015.

*1547 Mississauga Valley Boulevard, Mississauga, Ontario ("The Forestwoods")*

The Forestwoods is a high rise residential apartment building situated near the intersection of Burnhamthorpe Road and Hurontario Street in Mississauga, Ontario. The Forestwoods is located in close proximity to public transport, schools, Square One Shopping Centre, art galleries, Pearson International Airport and is walking distance to local retail amenities. The 22-storey building has three elevators, is situated on approximately 6.8 acres of land and contains a total of 300 suites consisting of one, two and three bedroom suites. The building includes hospitality suites, an outdoor pool, children's playground, laundry facilities and provides 450 underground parking spaces and 75 surface parking spaces. It was constructed in 1978 and is built of cast-in-place foundation with pre-cast concrete walls and floors. Capital improvements in 2010 included the restoration of the underground garage and balconies; and in 2016 modernization of the elevator mechanics. Morguard Residential REIT holds an undivided 89% interest in the property. The rights and obligations of the co-owners are set out in a Co-owners' Agreement dated January 11, 2012.

*1477 Mississauga Valley Boulevard, Mississauga, Ontario ("The Maplewoods")*

The Maplewoods is a high rise residential apartment building situated near the intersection of Burnhamthorpe Road and Hurontario Street in Mississauga, Ontario. The Maplewoods is in close proximity to public transport, schools, Square One Shopping Centre, art galleries, Pearson International Airport and is within walking distance to many local retail amenities. The 22-storey building has three elevators, is situated on approximately 6.8 acres of land and contains 300 suites consisting of one, two and three bedroom suites. The building includes hospitality suites, an outdoor pool, fitness centre, party room, business centre with internet access, indoor bike room, children's playground, and laundry facilities and provides 450 underground parking spaces and 82 surface parking spaces. It was constructed in 1979 and was built of cast-in-place foundation with pre-cast concrete walls and floors. The building underwent significant capital improvements during 2008 and 2009 in the garage and visitor parking area, in 2010 including restoration of the balconies, and in 2016, modernization of the elevator mechanics. Morguard Residential REIT holds an undivided 87% interest in the property. The rights and obligations of the co-owners are set out in the Co-owners' Agreement dated January 11, 2012.

*1423 Mississauga Valley Boulevard, Mississauga, Ontario ("The Valleywoods")*

The Valleywoods is a high rise residential apartment building situated near the intersection of Burnhamthorpe and Hurontario Street in Mississauga, Ontario. The Valleywoods is in close proximity to public transport, schools, Square One Shopping Centre, art galleries, Pearson International Airport and is within walking distance to many local retail amenities. The 16-storey building has three elevators, is situated on approximately 8.4 acres of land and contains a total of 373 suites consisting of one, two and three bedroom suites. The building includes a hospitality suite, an outdoor pool, fitness centre, billiards room, party room, indoor bike room, saunas, children's playground, business centre with internet access, laundry facilities and provides 495 underground parking spaces and 69 surface parking spaces. It was constructed in 1979 and is built of cast-in-place foundation with pre-cast concrete walls and floors. Significant capital improvements include an elevator modernization in 2015. Morguard Residential REIT holds an undivided 91% interest in the property. The rights and obligations of the co-owners are set out in the Co-owners' Agreement.

*935 Dundas Street East, Mississauga, Ontario ("Tomken Place")*

Tomken Place is a high rise residential apartment building situated near the intersection of Tomken Road and Dundas Street in Mississauga, Ontario. Tomken Place is located in close proximity to public transit, local retail establishments and Pearson International Airport. The 16-storey building has two elevators, is situated on approximately 2.5 acres of land and contains a total of 142 suites consisting of mainly two and three bedroom suites with 1 one bedroom suite. The building includes laundry facilities, fitness centre, party room, indoor bike room, children's playground, billiards room, saunas, a tennis court and provides 197 underground parking spaces and 34 surface parking spaces. It was constructed in 1979 of cast-in-

place foundation with pre-cast concrete walls and floors. In 2006, the building underwent balcony restoration, painting of the building exterior and modernization of the building's fire safety system.

*126 Sparks Street, Ottawa, Ontario ("126 Sparks")*

126 Sparks Street offers an unbeatable location in the heart of Ottawa's historic business and retail district - just steps from Parliament Hill. The 35 exclusive furnished flats and lofts offer spacious one bedroom and one bedroom + den floor plans with private terraces overlooking the Sparks Street promenade.

*160 Chapel Street, Ottawa, Ontario ("160 Chapel")*

160 Chapel is a 22 story, 370 suite residential apartment building originally built in 1971 consisting of reinforced concrete construction. The building underwent significant upgrades in 1997, and elevator modernization and roof replacement from 2011-2014. There is an above ground parking lot and two levels of underground parking offering a total of 270 parking spaces. 160 Chapel is located in the Sandy Hill neighbourhood in Ottawa – located just 2 kilometres from the downtown core, at the corner of Chapel and Rideau Streets, 160 Chapel benefits from being in close proximity to the Rideau Centre, parliament Hill, the Byward market, and the University of Ottawa. The building includes 24 hour on site security, fitness centre, indoor pool, guest suite and sauna. Property was acquired by Morguard Residential REIT on February 1, 2016.

*85 & 95 Thorncliffe Park Drive, Toronto Ontario ("Leaside Towers")*

Leaside Towers consists of two high rise residential consisting of 989 suites and 1098 indoor and 75 outdoor parking spaces. Leaside Towers is located within easy access to public transit as well as major Toronto highways (Highway 401 and Don Valley Parkway) and schools, shopping, and parks and biking trails are within walking distance. Amenities include indoor swimming pool and sauna, fitness centre, library, business centre, leash free dog run, guest suites, party room and terrace and on-site convenience store and dry-cleaning drop off. Capital improvements include roof replacement completed in 2015 and elevator modernization to be completed by the end of 2017.

*35 Thorncliffe Park Drive, Toronto, Ontario ("Rideau Towers I")*

Rideau Towers is a collection of four high rise residential apartment buildings situated near the intersection of Thorncliffe Park Drive and Overlea Boulevard, in Toronto, Ontario. The Rideau Towers are in close proximity to public transit and local retail establishments. This 18-storey building has three elevators, is situated on approximately 3.5 acres of land and contains a total of 287 suites. Rideau Towers I comprises one, two and three bedroom suites with a weighted average size of 918 square feet. The building has laundry facilities, and provides 176 underground parking spaces and 122 surface parking spaces. The building was constructed in the mid-1960's and was built of cast-in-place concrete slab floors with a brick exterior veneer construction and underwent various capital improvements (including corridor renovations) in 2008. Morguard Residential REIT owns an approximate 90% interest in Rideau Towers I.

*43 Thorncliffe Park Drive, Toronto, Ontario ("Rideau Towers II")*

Rideau Towers is a collection of four high rise residential apartment buildings situated near the intersection of Thorncliffe Park Drive and Overlea Boulevard, in Toronto, Ontario. The Rideau Towers are in close proximity to public transit and local retail establishments. This 20-storey building has four elevators, is situated on approximately 4.4 acres of land and contains a total of 380 suites. Rideau Towers II comprises one, two and three bedroom suites with a weighted average size of 922 square feet. The building has laundry facilities, and provides 353 underground parking spaces and 114 surface parking spaces. It was constructed in the mid-1960's, is built of cast-in-place concrete slab floors with a brick exterior veneer construction and underwent various capital improvements (including corridor renovations) in 2008; and underground parking garage repairs in 2016 and 2017.

*47 Thorncliffe Park Drive, Toronto, Ontario ("Rideau Towers III")*

Rideau Towers is a collection of four high rise residential apartment buildings situated near the intersection of Thorncliffe Park Drive and Overlea Boulevard, in Toronto, Ontario. The Rideau Towers are in close proximity to public transit and local retail establishments. This 25-storey building has five elevators, is situated on approximately 5.5 acres of land and contains a total of 474 suites. Rideau Towers III comprises one, two and three bedroom suites with a weighted average size of 978 square feet. The building has laundry facilities, and provides 521 underground parking spaces and 64 surface parking spaces. It was constructed in the mid-1960's, is built of cast-in-place concrete slab floors with a brick exterior veneer construction and underwent various capital improvements restoration of the underground parking garage in 2011, and a complete balcony restoration in 2014.

*49 Thorncliffe Park Drive, Toronto, Ontario ("Rideau Towers IV")*

Rideau Towers is a collection of four high rise residential apartment buildings situated near the intersection of Thorncliffe Park Drive and Overlea Boulevard, in Toronto, Ontario. The Rideau Towers are in close proximity to public transit and local retail establishments. This 20-storey building has four elevators, is situated on approximately 4.4 acres of land and contains a total of 400 suites. Rideau Towers IV comprises bachelor, one, two and three bedroom suites with a weighted average size of 956 square feet. The building has laundry facilities, and provides 444 underground parking spaces and 51 surface parking spaces. It was constructed in the mid 1960's, is built of cast-in-place concrete slab floors with a brick exterior veneer construction and underwent significant capital improvements in 2008 and underground parking garage repairs in 2016 and 2017.

*45 Generation Boulevard, Toronto, Ontario ("Rouge Valley Residence")*

Rouge Valley Residences is a low rise residential complex consisting of 33 buildings which is located just off Meadowvale Road and Highway 401 in Toronto, Ontario and comprising the municipal addresses of 41-53 and 95-115 Generation Boulevard. Rouge Valley Residence is in close proximity to public transit, The University of Toronto (Scarborough Campus), the Toronto Zoo and the Rouge Valley Conservation Area. The three-storey townhouse style suites are situated on 14.8 landscaped acres of land. Rouge Valley Residence comprises 396 suites, consisting of one, two and three bedroom suites. The buildings include laundry facilities, an outdoor swimming pool and provide 533 surface parking spaces. Constructed in 1978, the buildings are built of cast-in-place concrete foundation and conventional wood frame structure. The property underwent various capital improvements, including common area renovations, in-suite window replacement, and roof replacements in a significant number of buildings between 2007 and 2012/2016.

*925 Bay Street, Toronto, Ontario ("The Bay Club")*

The Bay Club is a 32 storey high rise residential building consisting of 292 suites and 299 parking spaces. Located in downtown Toronto, The Bay Club is located at the corner of Bay and Wellesley Streets, steps from Wellesley subway station, and is surrounded by the best that Toronto has to offer in the Bloor-Yorkville neighbourhood. The Bay Club offers condo-quality suites and amenities including 24-hour concierge, in-suite laundry, fully equipped fitness centre and sauna, theatre room, billiards room and outdoor terrace.

*310-320 Tweedsmuir Avenue, Toronto, Ontario ("The Heathview")*

Newly developed, The Heathview comprises two 30 storey towers in the Forest Hill area of Toronto. The Heathview offers easy access to the St. Clair West subway and streetcar and the neighbourhood includes many excellent restaurants, retail shops, parking spaces and sports facilities. The North Tower consists of 336 suites and 225 parking spaces with amenities including private courtyard, fitness centre, private dining room, 24-hour concierge and guest suites. The South Tower consists of 251 suites and 210 parking spaces with amenities including private courtyard, fitness centre, swimming pool, party room with a private dining room, 24-hour concierge and guest suites.

The Heathview was awarded Rental Development of the Year Award for 2015 by the Federation of Rental-Housing Providers of Ontario (FRPO).

*131 Bloor Street West, Toronto, Ontario ("The Colonnade")*

Located at the heart of Yorkville's most stylish block, the contemporary style and ideal location of The Colonnade puts residents on the forefront of urban living in downtown Toronto. This high rise residential building consists of 157 suites and includes upgraded suite features with stainless steel appliances and granite counter tops, with most offering in-suite laundry. Amenities include lounge with kitchen, fitness centre, guest suites, puppy pad, controlled indoor visitor and resident parking.

## MULTI-SUITE PROPERTIES – UNITED STATES

### CALIFORNIA

*5929 Sunset Boulevard in Los Angeles, California ("Sunset & Gordon")*

Sunset & Gordon is a high rise residential building consisting of 299 suites, approximately 47,500 square feet of office, retail and restaurant space, as well as a parking garage with 525 spaces. With close proximity to the Metro Red Line and Otis College of Art and Design, as well as walking distance to the W Hotel, Pantages Theatre, Siren Studios, Sunset Gower Studios and Emerson College Hollywood, this industrial, loft inspired living right on Sunset Boulevard gives tenants unparalleled, views of the Hollywood Hills and the city. Amenities include pool, deck, fitness studio, private club room, lounge area, state-of-the-art media salon and innovative outdoor spaces including an on-site park. Morguard acquired a 59.13% interest in the property on August 25, 2015.

### COLORADO

*820 South Cimarron Way, Aurora, Colorado ("Retreat at City Center")*

Retreat at City Center is a low rise apartment complex comprises 12 buildings and 225 suites constructed in 2002. It is located approximately nine miles from downtown Denver. The one, two and three bedroom suites are situated on 7.46 landscaped acres of land. The property includes a leasing centre, fitness centre, and swimming pool. The property has 406 parking spaces in an eight level parking garage, with 54 additional surface parking spaces situated on the property.

*4408 John F. Kennedy Way, Fort Collins, Colorado ("Settlers' Creek")*

Settlers Creek is a low rise apartment complex consisting of 9 buildings, 13 two-story lofts, and 229 suites; it was constructed in 2009. It is located approximately 6.3 miles from downtown Fort Collins. The one, two and three bedroom suites are situated on 13.61 landscaped acres of land. The property includes a leasing centre, fitness centre, swimming pool and tanning room and provides 324 surface parking spaces and 87 garage spaces.

### TEXAS

*2701 Lookout Drive, Garland, Texas ("The Retreat at Spring Park")*

Spring Park is a low rise apartment complex comprises 188 suites in 13 buildings; it was constructed in 1996. It is located approximately six miles from Dallas/Fort Worth International Airport. The one and two bedroom suites are situated on 12.23 acres of land. The property includes a leasing office, swimming pool, a fitness centre and barbeque picnic area. Each unit is provided with an attached single car garage, plus an additional 97 surface parking spaces are available.

*6225 Love Drive, Irving, Texas ("Grand Venetian at Las Colinas")*

Grand Venetian is a low rise apartment complex consisting of 25 buildings housing 514 suites; it was constructed in 1997. Grand Venetian is located within 20 minutes of downtown Dallas. The one, two and three bedroom suites are situated on 24.42 acres of land. The property includes a leasing centre, spa room, fitness centre and business centre and provides 889 parking spaces.

*8600 Valley Ranch Parkway, Irving, Texas ("Verandah at Valley Ranch")*

Valley Ranch is a low rise apartment complex comprises 319 suites in 15 buildings constructed in 1994. It is located approximately six miles from Dallas/Fort Worth International Airport. The one, two and three bedroom suites are situated on 14.78 acres of land. The property includes a leasing office, two swimming pools, and a covered car wash, and provides 524 parking spaces.

## LOUISIANA

*405 20<sup>th</sup> St., Gretna, Louisiana ("Garden Lane")*

Garden Lane is a low rise apartment complex consisting of 11 buildings and 261 suites constructed between 1969 and 1971 with significant renovations completed in 2006. It is located on the West bank of the Mississippi River, minutes away from downtown New Orleans. The one, two and three bedroom suites are situated on 9.84 landscaped acres of land. The property includes a leasing centre, three swimming pools, fitness centre and picnic area and provides 432 surface parking spaces.

*7373 Jefferson Hwy, Harahan, Louisiana ("Colonial Manor Apartment Homes")*

Colonial Manor is a low rise apartment complex consisting of four buildings and 48 suites constructed in 1967. It is located within fifteen minutes of downtown New Orleans. The one and two bedroom suites are situated on 1.84 landscaped acres of land. The property includes a leasing centre, swimming pool, fitness centre and picnic area and provides 70 surface parking spaces.

*715 Marie Antoinette Street, Lafayette, Louisiana ("Steeplechase Apartment Homes")*

Steeplechase is a two-storey residential walk-up garden community, consisting of 12 buildings. It is located just off Dulles Drive near the centre of Lafayette, Louisiana. Steeplechase is in close proximity to University of Louisiana (Lafayette Campus), Lafayette General Medical Center, Lafayette Regional Airport, public transit and shopping. The one and two bedroom suites are situated on 8.8 landscaped acres of land. Steeplechase contains a total of 192 suites consisting of one and two bedroom suites. The property includes a resort style swimming pool, tennis and sand volleyball courts, in-suite and laundry facilities, fitness centre, welcome centre, business centre and provides 384 surface parking spaces. Constructed in 1982, the buildings are built of concrete slab foundation and conventional wood frame structure. The buildings underwent common area renovations in 2006 and 2007.

*1001 East Dale Street, New Iberia, Louisiana ("Magnolia Place Apartment Homes")*

Magnolia Place is a two-storey residential walk-up garden community, consisting of 13 buildings. It is located just off E. Admiral Doyle Drive in the city of New Iberia, Louisiana. Magnolia Place is in close proximity to Weeks Island Road which is a significant access point for the offshore oil drilling industry. Magnolia Place is in the heart of New Iberia and is minutes away from City Park, Iberia Medical Center, Acadiana Regional Airport and local shopping. Magnolia Place contains a total of 148 suites consisting of one, two and three bedroom suites situated on seven landscaped acres of land. The property includes a swimming pool, large landscaped courtyards, in-suite and laundry facilities, fitness centre, car-care centre, barbeque area, welcome centre and provides 285 surface parking spaces. Constructed in 1984, the buildings are built of concrete slab foundation and conventional brick veneer and wood siding over a wood frame structure. The buildings underwent common area renovations in 2006 and 2007.

*2233 St. Charles Ave., New Orleans, Louisiana ("The Georgian Apartments")*

The Georgian is a mid rise apartment complex comprises of 135 suites, constructed in 1951, with common area renovations in 2006. It is located within the Garden District in New Orleans. The bachelor, one and two bedroom suites are situated on 1.12 landscaped acres of land. The property includes a swimming pool, hot tub, fitness centre and a gated entrance and provides 63 surface parking spaces.

*3215 Knight Street, Shreveport, Louisiana ("Villages of Williamsburg")*

Villages of Williamsburg is a two-storey residential walk-up garden community, comprising of 27 buildings. It is located just off Clyde Fant Parkway in the city of Shreveport, Louisiana. Villages of Williamsburg is in close proximity to Barksdale Air Force Base, Louisiana State University (Shreveport Campus), public transit and shopping. The buildings are situated on 8.8 landscaped acres of land. The Villages of Williamsburg comprises 194 suites consisting of bachelor, one, two and three bedroom suites. The property includes two swimming pools, a tennis court, picnic areas, sand volleyball court, in-suite and on-site laundry facilities, fitness centre, welcome centre and provides 359 surface parking spaces. Constructed in 1973, the buildings are built of concrete slab foundation and conventional stucco over wood frame structure. The buildings underwent common area renovations in 2005 and 2006.

*100 Greenbrier Way, Slidell, Louisiana ("Greenbrier Estates")*

Greenbrier Estates is a low rise apartment complex comprised of 18 buildings and 144 suites constructed in 2005. It is situated between New Orleans and the Mississippi coast. The one, two and three bedroom suites are situated on 9.0 landscaped acres of land. The property includes a leasing centre, swimming pool, fitness centre, tennis court, car wash and picnic area and provides 360 surface parking spaces.

## ILLINOIS

*555 West Kinzie Street, Chicago, Illinois ("Alta at K Station")*

Completed in 2010, Alta at K station is 848-suite two tower luxury apartment building with 13,000 square feet of retail space and a 695 parking space garage in one of Chicago's most sought after locations. Setting a new standard in Chicago living, Alta at K Station is the premiere rental residence located between River North and the West Loop. This LEED Gold building is made up of eco-friendly rental residences that include studio, one, two and three bedroom apartment homes designed for the dynamic lifestyle of the modern urban dweller.

*108 North State Street, Chicago, Illinois ("Marquee at Block 37")*

Completed in 2016, Marquee at Block 37 is a 691-suite, 38-storey contemporary building, located in the centre of Chicago's Loop. The property is part of a prominent, mixed-use development known as Block 37 and is located at 108 North State Street – a prestigious downtown neighbourhood with immediate access to subways, restaurants, and high-end retail shops. Morguard holds an undivided 49% interest in the property. The rights and obligations of the co-owners are set out in the Co-owners' Agreement.

## ALABAMA

*505 Bel Air Boulevard, Mobile, Alabama ("Bel Air Apartment Homes")*

Bel Air is a low rise apartment complex comprised of 202 suites constructed between 1968 and 1973. It is within 1 hour from the Gulf Shores. The one and two bedroom suites are situated on 8.26 landscaped acres of land. The property includes a leasing centre, fitness centre, swimming pool, putting green and community centre.

*1030 Montlimar Drive, Mobile, Alabama ("Hampton Park and Pine Bend")*

Hampton Park and Pine Bend are low rise apartment style complexes consisting of 300 suites and 152 suites, respectively, constructed between 1977 and 1979. It is within 1 hour from the Gulf Shores. The

one, two and three bedroom suites are situated on 24 landscaped acres of land. The property includes a leasing centre, fitness centre, swimming pools, and business centre.

*900 Downtowner Boulevard, Mobile, Alabama ("The Estates at Lafayette Square")*

The Estates at Lafayette Square a low rise apartment complex comprising of 675 suites constructed between 1969 and 1972. It is within one hour from the Gulf Shores. The one, two and three bedroom suites are situated on 44.75 landscaped acres of land. The property includes a leasing centre, fitness centre, 5 swimming pools, and business centre.

## GEORGIA

*1470 Sheridan Road NE, Atlanta, Georgia ("Briarhill Apartments")*

Briarhill is a low rise apartment complex comprises of 14 buildings and 292 suites constructed in 1989. It is located approximately 7.2 miles from downtown Atlanta. The one and two bedroom suites are situated on 9.81 landscaped acres of land. The property includes a leasing centre, exercise room, swimming pool and spa area, and provides 466 parking spaces.

*4306 North Shallowford Road, Atlanta, Georgia ("The Savoy Luxury Apartments")*

Savoy is a single four- story apartment building comprises of 232 suites constructed in 2007. It is located 16 miles from downtown Atlanta. The one, two, and three bedroom apartment building is situated on 7.7 landscaped acres of land. The property includes a leasing centre, and an outdoor swimming pool. The property includes a five level garage with a total of 362 parking spaces.

*2055 Barrett Lakes Boulevard NW, Kennesaw, Georgia ("Barrett Walk Luxury Apartment Homes")*

Barrett Walk is a low rise apartment complex comprises of 11 buildings and 290 suites constructed in 2002. It is located 10 minutes from downtown Marietta. The one and two bedroom suites are situated on 22.6 landscaped acres of land. The property includes a leasing centre, fitness centre, swimming pool and business centre, and provides 543 parking spaces.

## FLORIDA

*210 Third Street West, Bradenton, Florida ("210 Watermark")*

Completed in 2003, Watermark is a residential walk-up garden community comprising 216 suites in seven buildings situated on 10.07 acres of land. Approximately 289 surface parking spaces are provided, as well as 30 leasable detached private garages. It is located approximately 24 miles from Tampa International Airport.

*5100 W. Sample Road, Coconut Creek, Florida ("Blue Isle Apartment Homes")*

Completed in 1998, Blue Isle Apartments is a two-storey residential walk-up garden community comprising 340 suites in 23 buildings situated on 18.4 acres of land. Blue Isle Apartments is centrally located at 5100 W. Community amenities include fitness centre, resort-style pool with sun deck, playground and upgraded suite finishes.

*2940 Solano Avenue, Cooper City, Florida ("2940 Solano at Monterra")*

2940 Solano at Monterra comprises of 252 units in 11 three-storey walk-up garden style buildings. Construction was completed in 2014. The property has luxury suite finishes and community amenities including media centre, saltwater pool with sundeck and outdoor lounge with fireplace and kitchen. The property is located in southwest Cooper City with easy access to multiple office markets, regional hospitals, retailers, restaurants and entertainment venues. Purchased in 2015, Morguard Residential REIT holds a 51% undivided interest in the property together with a Canadian pension fund co-owner which holds the remaining 49% interest.

*4495 Emerald Vista, Lake Worth, Florida (“Emerald Lake Apartments”)*

Emerald Lake comprises 337 townhomes and one, two and three bedroom apartments. The controlled access community encircles a 15 acre-lake and includes amenities such as a tropical pool with cabana area, fitness centre, playground, dog park.

*1600 Governors Drive, Pensacola, Florida (“Governors Gate I”)*

Governors Gate I is a low rise apartment complex comprises 15 buildings and 240 suites constructed in 1998. It is located within 30 minutes of Pensacola Beach. The one, two and three bedroom suites are situated on 23.8 landscaped acres of land. The property includes a leasing centre, swimming pool, fitness centre, tennis court, car wash and picnic area and provides 360 surface parking spaces.

*1600 Governors Drive, Pensacola, Florida (“Governors Gate II”)*

Governors Gate II is a low rise apartment complex comprises 12 buildings and 204 suites constructed in 2003. It is located within 30 minutes of Pensacola beach. The one, two and three bedroom suites are situated on 21.52 landscaped acres of land. The property includes a leasing centre, swimming pool, fitness centre, tennis court, car wash and picnic area and provides 306 surface parking spaces.

*3331 Summit Boulevard, Pensacola, Florida (“Jamestown Estates”)*

Jamestown Estates is a low rise apartment complex comprises 177 suites constructed in 1972. It is located within 15 minutes of Pensacola beach. The one, two and three bedroom suites are situated on 12 landscaped acres of land. The property includes a leasing centre, swimming pool, fitness centre, and tennis centre.

*4301 Creighton Road, Pensacola, Florida (“Woodcliff Apartment Homes”)*

Woodcliff Apartments is a low rise apartment complex comprises 184 suites constructed in 1977. It is located within 15 minutes of Pensacola beach. The one and two bedroom suites are situated on nine landscaped acres of land. The property includes a leasing centre, swimming pool, fitness centre, and tennis courts.

*9000 Woodbine Trail, Palm Beach Gardens, Florida (“Woodbine Apartment Homes”)*

Woodbine Apartments is a three-storey residential walk-up garden community comprising 409 suites in 17 buildings situated on 19 acres of land that was completed in 2000. Woodbine Apartment Homes offers tropical living in a private community of one, two and three bedroom apartments. Centrally located, it is minutes from miles of white sand beaches, colleges, dining, shopping, and the entertainment district in Downtown Gardens and Legacy Place. Community amenities include fitness centre, resort-style pool with sun deck, tennis court, barbeque and picnic areas and gazebos.

*11306 Mallory Square Drive, Tampa, Florida (“Mallory Square”)*

Mallory Square a low rise apartment complex comprises 18 buildings and 383 suites constructed in 2005. It is located minutes away from downtown Tampa. The one, two and three bedroom suites are situated on approximately 46 acres of land. The property includes a leasing centre, swimming pool, fitness centre, and tennis courts, and provides approximately 575 surface parking spaces.

*3101 Village Boulevard, West Palm Beach, Florida (“Village Crossing Apartment Homes”)*

Completed in 1989, Village Crossing Apartments is a residential walk-up garden community comprising 189 suites in 8 buildings situated on 10.8 acres of land. Palm trees, manicured lawns and welcoming flowers provide a picturesque setting for one and two bedroom apartment homes. Residents also enjoy membership to three nearby parks featuring sports courts and an Olympic-sized swimming pool.

## NORTH CAROLINA

### *200 Brisbane Woods Way, Cary, North Carolina ("The Lodge at Crossroads")*

The Lodge is a low rise apartment complex comprises 23 buildings and 432 suites constructed in 2001. It is located approximately 10.2 miles from the Raleigh/Durham International Airport and six miles from downtown Raleigh. The one, two, and three bedroom suites are situated on 23 acres of land. The property includes a leasing centre, swimming pool, game room, fitness centre and business centre. A total of 771 surface parking spaces, 42 detached garages, and 96 attached garages.

### *3235 Trimblestone Lane, Raleigh, North Carolina ("Perry Point Ultimate Apartments")*

Perry Point is a low rise apartment complex comprises 16 buildings and 432 suites constructed in 2009. It is located within 20 minutes of downtown Raleigh. The one and two bedroom suites are situated on approximately 23.39 acres of land. The property includes a leasing office, swimming pool, dog park, a playground and picnic area and provides 696 parking spaces.

## RETAIL PROPERTIES - CANADA

### BRITISH COLUMBIA

#### *526 - 562 Clarke Road, Coquitlam, British Columbia ("Burquitlam Plaza")*

Burquitlam Plaza is a neighbourhood strip shopping centre built in 1960, with an expansion completed in 1980. The plaza is situated on a 7.98 acre irregular site on the northeast corner of Clarke Road and Smith Avenue. There are 387 parking spaces at this property. The property is located at a BC Transit LRT station.

#### *3055 Massey Drive, Prince George, British Columbia ("Pine Centre Mall")*

Pine Centre Mall is a single level enclosed regional shopping centre. The shopping centre was built in 1974, renovated and expanded in 2008 and contains a strong and diversified tenant mix anchored by Lowes and Sears department stores. The property is situated on a 39.8 acre site and provides parking for 2,350 vehicles.

#### *3601 - 3675 Shelbourne Street, Victoria, British Columbia ("Shelbourne Plaza")*

Shelbourne Plaza is single storey neighbourhood shopping plaza with two freestanding pads. It is on a 5.13 acre irregular site on the southeast corner of Shelbourne Street and Cedar Hill Cross Road, north of downtown Victoria. There are 260 parking spaces on site. Construction of the plaza was completed in 1960 and expansions and renovations were completed in 1986, 1988 and 2002.

### ALBERTA

#### *2700 Main Street South West, Airdrie, Alberta ("Airdrie Co-op Centre")*

The Co-op Centre, located in Airdrie, features good visibility from the Deerfoot Trail. The Co-op Centre is a retail centre that is anchored by a 45,000 square foot Co-op Grocery Store and is situated on 7.54 acres and provides parking for 376 vehicles. The building was constructed in 2000.

#### *2649 Main Street South West, Airdrie, Alberta ("Airdrie Rona Centre")*

Airdrie Rona Centre is part of a retail complex located in Airdrie, just west of the Deerfoot Trail and south of Yankee Valley Road. It is anchored by a 40,000 square foot Rona is situated on 4.82 acres and is able to accommodate parking for 123 cars. The building was constructed in 2000.

#### *5 - 33 and 6 - 88 Heritage Gate South East, Calgary, Alberta ("Heritage Towne Centre")*

Heritage Towne Centre is a retail complex situated on a 15 acre site located on Heritage Drive South East, just west of the Deerfoot Trail. The site provides for parking of 860 cars. The property was

developed in 2002. The centre is anchored by Home Outfitters and Ashley Furniture. The adjacent parcel of land was acquired by Costco, on which they have constructed a 148,000 square foot store to service the South Calgary market.

*11801 100th Street, Grande Prairie, Alberta ("Prairie Mall")*

Prairie Mall is a market dominant, single level enclosed regional shopping centre located in Grande Prairie, Alberta. The Property is the primary fashion shopping destination in Grand Prairie. The mall is anchored by Marshalls, Urban Planet, Shoppers Drug Mart and Dollarama.

*4747 67th Street, Red Deer, Alberta ("Parkland Mall")*

Parkland Mall is an enclosed single level regional shopping centre. It is anchored by Wal-Mart and a 75,000 square foot Good Life Fitness/Fit for Less (under construction). The mall fronts the main north-south thoroughfare through the city and is situated on 37.3 acres. It has approximately 2,500 parking stalls.

## SASKATCHEWAN

*3510 - 8th Street East, Saskatoon, Saskatchewan ("The Centre at Circle & Eighth")*

The Centre at Circle & Eighth is the largest suburban shopping centre in Saskatoon. The property was constructed in 1968, renovated in 1995 and again in 2005. The existing facility was created by linking together two previously separated shopping centres. It contains 96 stores and has a parking capacity of 3,000 spaces. The property is located at the intersection of Eighth Street (a major east/west arterial route through Saskatoon) and Circle Drive, a ring road that surrounds most of the city. The mall is anchored by Co-op Grocery, GoodLife Fitness, Best Buy, Sport Chek and Shoppers Drug Mart.

## MANITOBA

*1350 - 18th Street, Brandon, Manitoba ("Shoppers Mall")*

Shoppers Mall is located on a 30 acre site at the intersection of 18th Street and Richmond Avenue. This one storey enclosed mall is considered to be the dominant retail centre in the city of Brandon. The major tenants are Sport Chek and Capitol Theatre. Currently, the mall is undergoing at \$30 million to accommodate Sobeys, GoodLife Fitness and Dollarama.

*3900 Grant Avenue, Winnipeg, Manitoba ("Charleswood Centre")*

Charleswood Centre was originally constructed in 1982. The Property is located at the intersection of Grant Avenue and Haney Street. The major tenant is Safeway. In 2005, the property was successfully redeveloped into a strip neighbourhood centre.

*35 Lakewood Boulevard, Winnipeg, Manitoba ("Southdale Centre")*

Southdale Centre is located on the Trans-Canada Highway at Lakewood Boulevard and consists of a strip centre and five stand-alone buildings. Morguard REIT owns a 100% leasehold interest in the land lease, which expires in 2064. The centre is anchored by Walmart.

## ONTARIO

*15400 Bayview Avenue, Aurora, Ontario ("Aurora Centre")*

Aurora Centre is a single story, community retail centre, located on 26 acres of land in Aurora, which was constructed in 1996 and 1997, with 20,000 square feet added in 2009, and an additional 22,000 square feet added in 2010. The centre is anchored by Sobeys, Canadian Tire and a Cineplex multi-screen theatre. A stand alone PetSmart (15,000 SF) is scheduled for completion in 2017. There is further expansion potential on the site.

*25 Peel Centre Drive, Brampton, Ontario ("Bramalea City Centre")*

Bramalea City Centre is the dominant regional shopping centre in Brampton located at the corner of Queen Street and Dixie Road. The enclosed two-level regional shopping centre has undergone a major expansion and renovation in 2010 and now ranks as the fourth largest shopping centre in Ontario and the sixth largest in Canada. In addition to a strong national and regional tenant mix, the centre is well anchored by Sears, Hudson's Bay, Metro, Best Buy and Saks Off Fifth (under construction, Spring 2017 occupancy), with LCBO, The Beer Store, Home Outfitters, Freshco, BMO, and Scotiabank featured in surrounding free standing buildings. All buildings are located on approximately 82.2 acres.

*355 Hespeler Road, Cambridge, Ontario ("Cambridge Centre")*

The retail centre is designated as the major regional shopping centre for the city of Cambridge and was originally constructed in 1973. In 2002, a major expansion was completed, that included a 140,000 square foot Sears, a 40,000 square foot skating rink, and 100,000 square feet of additional retail, entertainment and service area. Cambridge Centre includes over 145 stores and services. It is anchored by The Bay and Sears. This property is located on Highway 24 (Hespeler Road) just south of Highway 401, in the heart of Cambridge. The centre has 3,300 parking spaces.

*457 Hazeldean Road, Kanata, Ontario ("Market Square")*

Market Square is a single storey, neighbourhood strip retail centre located on 7.3 acres of land in Kanata. The neighbourhood centre, built in 1998, was expanded in 2004 and in 2005. It is anchored by Farm Boy. The site contains 345 parking spaces.

*735 Wonderland Road North, London, Ontario ("Wonderland Corners")*

Wonderland Corners was originally constructed in 1988 and an expansion of the shopping centre was completed in 1991 with the addition of second level office space.

*1891 Rathburn Road East, Mississauga, Ontario ("Kingsbury Centre")*

Kingsbury Plaza is a single storey, neighbourhood strip retail centre located in Mississauga, which was constructed in 1982. The 6.11 acre site is irregularly shaped and has frontage of 540 feet on Rathburn Road in a residential neighbourhood. Rathburn Road is a major east/west arterial road between Eglinton Avenue and Burnhamthorpe Road. The plaza is 1.5 kilometres east of Dixie Road and three kilometres west of Highway 427. The plaza is anchored by Longo's, a 30,000 square feet supermarket store. The site offers 359 parking spaces.

*1384 - 1427 Carling Avenue, Ottawa, Ontario ("Hampton Park Plaza")*

Hampton Park Plaza is a two level community centre, which was opened in 1961. In 1992, a renovation of the plaza was completed. The property is located at the intersection of Kirkwood Avenue and Carling Avenue, in the western portion of the City of Ottawa, with visibility from the Queensway, a main east/west thoroughfare. Hampton Park Plaza contains 30 stores and services, including Food Basics. The site is 6.01 acres.

*211 Centrum Boulevard, Orleans, Ontario ("Home Base")*

Home Base is a two level banking facility, built in 1990 and occupied by a Canadian chartered bank. Adjoining the facility is an additional 3.5 acres of land for potential future development.

*1200 St. Laurent Boulevard, Ottawa, Ontario ("St. Laurent")*

St. Laurent Centre is the dominant retail facility located in the eastern part of the City of Ottawa. Originally constructed in 1967, it was expanded in 1979, and further expanded in 1991. In addition, significant restorations occurred in 1997 and 1998 and the food court was expanded and renovated in 2003. A full cosmetic renovation was completed in 2015. The site is 43 acres. St. Laurent has 200 stores and a parking capacity of 4,000 spaces. Major tenants include The Hudson's Bay and Sears. The centre serves as a major stop for the Ottawa/Carlton public transit route, which is linked directly to the centre through

underground and street level connections. The public transit route is currently being upgraded to a light rapid transit (LRT) line.

*100 Cavell Avenue ("100 Cavell")*

100 Cavell is a neighbourhood strip retail centre located adjacent to a Toronto Community Housing complex in the community of Mimico. The facility is on the corner of Royal York Road (one kilometer south of the Gardiner Expressway). It is home to two retail tenants. The site is serviced by eight dedicated parking stalls.

*6464 Yonge Street, Toronto, Ontario ("Centerpoint Mall")*

Centerpoint Mall is an enclosed community shopping centre anchored by Lowes, a part two-storey Loblaws, a single level Canadian Tire, and a two level Hudson's Bay. The property also includes a strip centre known as The Village Shoppes. The centre is located in the north central sector of the former City of North York, specifically at the southwest intersection of Yonge Street and Steeles Avenue. This is considered a strategic long-term site with both streets offering premium traffic counts. The site encompasses a total land area of 36.21 acres with a total of 2,258 parking stalls.

*45 Overlea Boulevard, Toronto, Ontario ("East York Town Centre")*

East York Town Centre is a community retail and office centre offering convenience and one-stop shopping at the centre of a high density node in the East York area of Toronto. It is anchored by a 35,000 square foot Food Basics (Metro), and 15,000 square foot Fit 4 Less (GoodLife). The centre is currently undergoing a \$30 million redevelopment which includes the addition of St. Michael's Hospital (20,000 SF) as an anchor tenant. Surrounded by numerous residential buildings, office towers and near amenities such as The Ontario Science Centre, the centre welcomes in excess of five million visitors annually.

*131 Bloor Street West ("The Colonnade")*

The Colonnade is a mixed-use complex constructed in the 1960's comprising office, retail, and residential uses. The retail component comprises 63,022 square feet of retail space on two levels. The office component comprises 25,683 square feet. The residential component consists of 157 rental apartments, which are being renovated with contemporary finishes on an as available basis. There are 270 underground parking stalls on 2 levels. The property is situated in mid-town Toronto, specifically on the south side of Bloor Street between Bay Street and Avenue Road. This is within the key Bloor Street shopping district, which is the premier street front retail location in Canada. The site encompasses a total land area of 57,550 square feet, including 360 feet of frontage to Bloor Street. The land is leased from Victoria University under a 100-year lease expiring in 2060. The Colonnade retail space is undergoing a remerchandising program in 2017 to accommodate new tenants William Ashley and Christian Dior.

*419-429 Yonge Street ("Yonge & McGill")*

Yonge and McGill is a neighbourhood strip retail center located at the base of a Toronto Community Housing complex south of College Street and north of McGill Avenue. It is home to five retail tenants and is subject to a leasehold interest with Toronto Community Housing until June 2020.

*123 Guildwood Village, Toronto, Ontario ("Guildwood Village")*

Guildwood Village is a neighborhood shopping centre, anchored by a 21,000 square foot, free standing Valumart. The property is located in the heart of Guildwood Village, in the south central sector of the former city of Scarborough. Its specific location is at the southwest corner of Guildwood Parkway and Livingston Road. The site encompasses a total land area of approximately 4.2 acres. Morguard owns approximately 3.3 acres of the total site, with the remaining lands being leased until May 2022 after which Morguard is obligated to purchase the remaining lands. The site offers a total of 214 parking spaces.

*7600 Weston Road, Vaughan, Ontario ("Woodbridge Square")*

Woodbridge Square is located at the intersection of Weston Road and Highway 7 in the heart of the City of Vaughan, which is just north of the City of Toronto. Woodbridge Square consists of 10 acres. The centre has 30 stores and is anchored by a Nations Fresh Foods grocery store. Morguard REIT and its co-owner, Weston Square Limited, each hold a 50% undivided interest in the centre. The rights and obligations of the co-owners are set out in a co-tenancy agreement made as of December 18, 1989.

**RETAIL PROPERTIES – UNITED STATES**

**LOUISIANA**

*111-433 MacArthur Blvd, Alexandria, Louisiana ("Westgate Shopping Center")*

Westgate Shopping Center is a non-grocery neighborhood strip retail centre, anchored by Sutherland Building Materials, a regional tenant, occupying 82,200 square feet, and a 28,500 square foot Big Lots. This property is located in Alexandria, Louisiana, at the intersection of Highway 28 and MacArthur Boulevard.

*200 N Airline Drive, Gonzales, Louisiana ("Gonzales Plaza")*

Gonzales Plaza is a neighborhood centre anchored by a 37,000 square foot Big Lots and an additional nine units. This property is located approximately 20 miles southeast of the state capitol, Baton Rouge, and is adjacent to a Wal-Mart Supercentre.

*7335 Jefferson Highway, Harahan, Louisiana ("Colonial Shopping Center")*

Colonial Shopping Center is a neighborhood strip retail centre located in the south central area of Harahan, Louisiana, approximately eight miles west of downtown New Orleans. Tenants include a Dollar General.

*5953 West Park Avenue, Houma, Louisiana ("Southland Mall")*

Southland Mall is an enclosed regional shopping centre, located at the intersection of Bayou Gardens Boulevard/Martin Luther King Boulevard and West Park Avenue (LA 24). Southland Mall is the only regional mall within a 50 mile radius. Southland Mall features 80 specialty shops and three anchors, Dillard's, JCPenney and Sears. As a regional mall, Southland Mall serves the communities of Terrebonne, Lafourche, St. Mary and Assumption Parishes.

*6124-3705 Jefferson Highway, Metairie, Louisiana ("Airline Park Shopping Center")*

Airline Park Shopping Center is a neighborhood strip retail centre anchored by Winn Dixie grocer, located in Metairie, Louisiana, at the northeast corner of Airline Drive (Highway 61) and Airline Park Boulevard; four miles from the Louis Armstrong International Airport. This property is situated across the street from the New Orleans Zephyrs stadium, as well as the New Orleans Saints and New Orleans Pelicans team headquarters and practice facilities.

*150 North Shore Boulevard, Slidell, Louisiana ("North Shore Square")*

North Shore Square is a single-level, enclosed regional mall, located along Interstate 12 and Northshore Boulevard - an intersection containing over 1.7 million square feet of retail. North Shore Square's primary market consists of St. Tammany Parish, Washington Parish, Hancock County, Pearl River County, and surrounding municipalities in Louisiana and Mississippi. North Shore Square is the only regional mall within its trade area.

## ILLINOIS

### *555 West Kinzie Street, Chicago, Illinois ("Alta at K Station")*

Completed in 2010, Alta at K station is 848-unit two tower luxury apartment building with 13,000 square feet of retail space and a 695 space parking garage in one of Chicago's most sought after locations. Setting a new standard in Chicago living, Alta at K Station is the premiere rental residence located between River North and the West Loop.

## FLORIDA

### *1000 North Congress Avenue, Boynton Beach, Florida ("Boynton Town Center")*

Boynton Town Center is a regional centre located in the heart of the area's most vibrant retail corridor at the northeast corner of North Congress Avenue and Old Boynton Road. The centre enjoys traffic counts of over 43,000 vehicles per day, and is home to Super Target (shadow anchor), Best Buy, Michael's and many other retailers, restaurants, and service providers.

### *6288 Commercial Way, Brooksville, Florida ("Weeki Wachee Village")*

Weeki Wachee Village is a neighborhood strip retail centre anchored by a 36,000 square foot Winn Dixie, and is located at the busy signalized intersection of US Highway 19 and Cortez Boulevard. It is situated across the street from the World Famous Weeki Wachee Springs State Park and it is just six miles to Bayport Park and Pine Island Beach. The centre is currently undergoing a major renovation and will be given a new façade, fresh landscaping and parking lot improvements. The centre's new look is designed to provide an enhanced experience for customers and retailers alike.

### *11352 North Williams Street, Dunnellon, Florida ("Rainbow Square")*

Rainbow Square is a community shopping centre located in the city of Dunnellon in Marion County, Florida. The centre marks the heart of the retail trade area and enjoys the area's highest collection of major retailers including Tractor Supply, Bealls Outlet, Dollar Tree and Aaron Rents. It is adjacent to the city's only Super Walmart and McDonald's and is located on the city's main thoroughfare, US Hwy 41. A 33,896 square foot former Winn Dixie grocery store box is now available for lease.

### *1816-1850 S. Ridgewood Avenue, Edgewater, Florida ("Florida Shores Plaza")*

Florida Shores Plaza is a neighborhood strip retail centre located in Volusia County, on the southwest corner of South Ridgewood Avenue (US Hwy 1) and Indian River Boulevard just a few miles east of Interstate 95. The centre is anchored by Winn Dixie and Bealls Outlet and features a mix of strong national and local retailers. The centre offers excellent visibility to Edgewater's busiest thoroughfares and the recent renovation make it an ideal setting for retailers.

### *5970 Jog Road, Lake Worth, Florida ("Lantana Plaza")*

Lantana Plaza is a power centre located in Palm Beach County, at the premier retail intersection of Lantana Road and Jog Road in Lake Worth, Florida. Due to its tenant mix, which includes Publix, Dollar Tree, Home Depot and Office Depot, local residents frequent Lantana Plaza regularly for a variety of their daily needs, making it the ideal location for expanding retailers. Traffic vehicles on Jog Road exceeds 38,000 vehicles per day, and Lantana Road has traffic over 36,000.

### *135 Town and Country Road, Palatka, Florida ("Town & Country Shopping Center")*

Town and Country Shopping Center is a neighborhood centre located at the intersection of State Road 19, and St John's Avenue in the beautiful town of Palatka, Florida. Town & Country is home to Palatka's only Publix, making it the major daily needs shopping destination for area residents. In addition to Publix, the shopping centre offers a variety of national retailers including Bealls Outlet, Dollar Tree and Hibbett Sports that draw customers from throughout Putnam County.

*2501 Okeechobee Boulevard, West Palm Beach, Florida (“Westward Shopping Center”)*

Westward Shopping Center is conveniently located just west of I-95 on West Palm Beach’s main thoroughfare, Okeechobee Boulevard. It is a regional shopping centre whose tenants benefit from their close proximity to Downtown West Palm Beach and the new Palm Beach Fashion Outlets. Commuters and local residents traveling on Okeechobee Boulevard generate traffic counts in excess of 50,000 vehicles per day. The centre underwent a major renovation in 2015 and welcomed Burlington Coat Factory to the tenant line-up.

## **INDUSTRIAL PROPERTIES - CANADA**

### **ONTARIO**

*17474 McLean Road, Puslinch, Ontario (“Maple Leaf Foods Distribution Centre”)*

Maple Leaf Distribution Centre is located south of Guelph in Puslinch, at the corner of Mclean Road and Wellington Road. It is a single tenant industrial building with clear heights ranging from 24 feet in the shipping/receiving docs and 40 feet in the warehouse. The property is leased to Maple Leaf Foods Inc. on a long term basis. The building was built in 2013.

*1875 Leslie Street, Toronto, Ontario (“1875 Leslie”)*

1875 Leslie is a one-storey multi-tenant building containing retail/industrial space in North York area of Toronto constructed in 1962 and retrofitted in 1993. The building is on a 3.13 acre rectangular site located on the east side of Leslie Street north of York Mills Road. There are 140 parking spaces for the building.

*2041-2051 McCowan Road, Toronto, Ontario (“2041-2051 McCowan”)*

This property consists of three multi-tenant buildings constructed in 1977. The property is located in Scarborough on 16.24 acres. There are 284 surface parking stalls on-site.

*279 Yorkland Boulevard, Toronto, Ontario (“279 Yorkland”)*

279 Yorkland is a one-storey single tenant industrial building in North York area of Toronto, constructed in 1967. The building is on a 1.64 acre rectangular site on the north side of Yorkland Boulevard just west of the Yorkland Boulevard and Consumers Road intersection in the Consumers Road Business Park. The zoning for the property permits redevelopment for office use at a density of 1.5 times coverage. There are 39 parking spaces for the building.

*285 Yorkland Boulevard, Toronto, Ontario (“285 Yorkland”)*

285 Yorkland is a one-storey single tenant building containing industrial/office space in North York area of Toronto. The building, constructed in 1973, is situated on a 1.53 acre rectangular site on the north side of Yorkland Boulevard just west of the intersection of Yorkland Boulevard and Consumers Road in the Consumers Road Business Park. There are 81 parking spaces for the building.

### **QUEBEC**

*825 Des Erables Boulevard, Salaberry-de-Valleyfield, Quebec (“825 Des Erables”)*

825 Des Erables is a single-storey industrial storage facility built to design specifications for the tenant, the world’s leading premium spirits business, in 2007 and 2008. Morguard REIT holds a 50% undivided interest in the property together with Morguard Industrial (1) Inc., a pooled investment vehicle for pension fund investors that is managed by Morguard Investments Limited, who holds the remaining 50% interest. The rights and obligations of the co-owners are set out in an agreement dated October 25, 2006.

## OTHER INDUSTRIAL PROPERTIES (“Industrial Portfolio”)

The Industrial Portfolio comprises 20 industrial buildings located in Ontario, Québec and British Columbia. The Ontario industrial buildings range in size from 5,000 to 180,100 square feet, the Québec industrial buildings range in size from 4,600 to 21,900 square feet and one building located in Victoria, British Columbia at 43,700 square feet.

### OFFICE PROPERTIES - CANADA

#### BRITISH COLUMBIA

##### *111 Dunsmuir Street, Vancouver, British Columbia (“111 Dunsmuir”)*

111 Dunsmuir is a 13-storey Class A office tower with located on Dunsmuir Street between Cambie Street, and Beatty Street in downtown Vancouver. The building sits on a 1.06 acre site and has a three level underground parking garage with 242 parking spaces. The building was constructed in 1994, has highly sought after views of surrounding water and mountains, and excellent access to public transit.

##### *865 Hornby Street, Vancouver, British Columbia (“Chancery Place”)*

The property was constructed in 1982. It is located in downtown Vancouver, on the northwest corner of Hornby and Smithe Streets across from the Provincial Law Courts. This central location is within two blocks of both north-south transportation arteries (Burrard and Granville Streets) and Georgia Street, the major east-west arterial. This site is approximately 0.64 acres. Chancery Place is an 18-storey office building fully leased to British Columbia Building Corporation, a crown corporation for the provincial government, and 22,000 square feet of ground level retail. It has 4 floors of underground parking providing 235 stalls in which 38 stalls are reserved for residents of the adjacent apartment tower.

##### *4000 Seymour Place, Victoria, British Columbia (“Seymour Place”)*

The property is improved with a four-storey office building built in 1983. It is situated on 11.7 acres north of downtown Victoria on the Blanchard Street corridor. The current site zoning allows for an additional 418,000 square feet of development which can include uses such as office, apartment, medical services, congregate housing and Assembly uses. The property currently has 595 surface parking stalls and the building is 100% occupied by British Columbia Building Corporation, a crown corporation for the provincial government.

#### ALBERTA

##### *505 - 3rd Street South West, Calgary, Alberta (“505 Third”)*

505 - 3rd Street is an 18-storey office building located in the downtown core in Calgary. The building is situated on a 0.32-acre corner rectangular site with frontage on 5th Avenue South West and 3rd Street South West. 5th Avenue South West is one of the main eastbound routes through the downtown core. The building is close to Calgary’s premier commercial buildings and takes full advantage of the city’s downtown elevated Plus 15 walkway system, with existing bridges connected to the east and north end. The second floor corridor leading to the Plus 15 was renovated in 2001. Calgary’s rapid transit system is located near the site. There are two levels of underground parking with 47 heated spaces.

Morguard REIT and its co-owner, a pension fund investor, each hold an undivided 50% interest in the property. The rights and obligations of the co-owners are as set out in a co-owners’ agreement dated January 22, 2008.

##### *7315 8<sup>th</sup> Street North East, Calgary, Alberta (“7315-Eighth Street”)*

7315-Eighth Street Building is a single tenant, two-storey office building constructed in 1999. It is located in the Deerfoot Business Park in northeast Calgary, just southwest of the Calgary International Airport.

The building is situated on 1.94 acre site and features a fully finished basement including storage area and a fitness centre. There are 72 surface parking spaces.

*239 8th Avenue South West, Calgary, Alberta ("National Bank Building", formerly Alberta Treasury Branch)*

The building is a three-storey banking services building located in downtown Calgary, and serves as the main office for National Bank's private banking division. It is situated on a 0.45 acre rectangular site at the corner of 2nd Street South West and 8th Avenue South West. The location is a high profile corner on the Stephen Avenue Mall (8th Avenue), the major public pedestrian corridor in downtown Calgary. Major office/retail complexes in the vicinity include Bankers Hall, Scotia Centre and Toronto Dominion Square. Parking is provided for 36 cars in one level of underground parking.

*7777 10<sup>th</sup> Street North East/7640-7686 8<sup>th</sup> Street North East/7645-7671 10<sup>th</sup> Street North East, Calgary, Alberta ("Centre 810")*

Centre 810 is a three building, single-storey, multi-tenant office complex located in the Deerfoot Business Park. The buildings are situated on 6.3 acres and feature parking for 263 vehicles. The building was constructed in 2002.

*540 12<sup>th</sup> Street South West, Calgary, Alberta ("Citadel West")*

Citadel West is a seven storey office building located within the beltline district of Calgary, Alberta. The property is situated on a 0.28 acre rectangular site and features 76 parking spaces. The building was constructed in 2006.

*7326 10<sup>th</sup> Street North East, Calgary, Alberta ("Deerport Centre")*

The Deerport Centre is located on the west side of the Deerfoot Business Park and. The three-storey, multi-tenant office building is situated on 3.3 acres and provides for surface parking of 152 cars and underground parking for 36 cars. The Deerport Centre was constructed in 1999.

*7575 8<sup>th</sup> Street North East, Calgary, Alberta ("Duncan Building")*

The Duncan Building is located in the Deerfoot Business Park, immediately adjacent to the 7315-Eighth Street Building. This three-storey multi-tenant office building was built in 2001. It is situated on 3.63 acres and features 245 stalls of surface parking and 34 underground stalls.

*207 & 215 9<sup>th</sup> Avenue SW, Alberta ("Penn West Plaza")*

Penn West Plaza is located in the Central Business District of downtown Calgary. This Class A office complex is comprised of two office towers with 619,000 square feet of gross leasable area, 379 parking spaces and 17,500 square feet of prime retail space. Both office towers are 100% leased to Penn West Petroleum Ltd. under a long term lease with a remaining term of approximately 11 years.

*9945 108 Street North West, Edmonton, Alberta ("Petroleum Plaza")*

Petroleum Plaza office complex consists of two 13-storey towers. The two towers are connected by a retail podium at grade. The towers are situated on a 1.38 acre site located in the government district of downtown Edmonton. Morguard REIT hold a 50% interest in the property through an equity investment in a limited partnership with a Canadian pension fund partner holding the remaining 50%. The rights and obligations of the partners are set out in an amended and restated agreement dated December 23, 2011.

*10060 Jasper Avenue, Edmonton, Alberta ("Scotia Place")*

Scotia Place office building is located in the core of downtown Edmonton on Jasper Avenue, the main east/west corridor. It comprises one 21-storey office tower, one 28- storey office tower, and ancillary ground (and lower) level retail space. The building is situated on a 0.90 acre irregular site. The building has direct access to the downtown subway system and is also tied into the city's Plus 15 system with a bridge link to Commerce Place. Scotia Place was constructed in phases with Phase I, being the 28 floor

office tower, atrium, food court, retail component, and banking hall, completed in 1982, and Phase II, comprising the 21 floor office tower, completed in 1983. Scotia Place office building forms part of the larger Scotia Place complex. The Scotia Place co-owners' agreement dated October 31, 1988, outlines the responsibility for the day-to-day operations of the complex, including the two level 318 space parkade (under all three properties). Revenue and cost sharing between the parties is as outlined in the agreement. Morguard REIT has a right of first refusal on the sale by any of the other co-owners of their interest in the complex. Morguard REIT holds a 20% undivided interest in the property together with a pension fund co-owner which holds a 80% interest. The rights and obligations of the co-owners are set out in an agreement dated May 13, 2010.

## SASKATCHEWAN

### *4211 Albert Street, Regina, Saskatchewan ("Keewatin Square")*

Keewatin Square is a four-storey office building with retail space on the main floor. Originally built in 1981, and expanded in 1989 to include a main floor lobby with the additional retail space. The building is located on the south end of Albert Street, which is a high quality commercial area with neighbourhood strip retail centres, 2 enclosed shopping centres, hotels and restaurants. There are 57 surface parking spaces on site.

### *400 St. Mary Avenue, Winnipeg, Manitoba ("400 St. Mary")*

400 St. Mary is a Class A office building in the west core of downtown Winnipeg. The property is well located in close proximity to the Winnipeg Convention Centre, the Provincial Law Courts and the Legislature. 400 St. Mary is an 11 storey Class A office building that was completed in 1989 and has, since completion, been anchor-tenanted by the Taylor McCaffrey Law Firm. Morguard holds an undivided 20% interest in the property; the remaining 80% interest is held by a Canadian pension fund investor. The rights and obligations of the co-owners are set out in the Co-owner's Agreement dated December 17, 2015. 400 St. Mary was acquired in 2015.

### *444 St. Mary Avenue, Winnipeg, Manitoba ("444 St. Mary")*

444 St. Mary is a 17-storey high-rise office building with a floor plate of 14,466 square feet. and a total rentable area of 247,000 square feet. The building has basement level parking for 159 parking spaces, plus 358 above ground parking spaces in an adjoining parkade. The building was constructed in 1977 and is located on the south side of St. Mary Avenue between Vaughan and Kennedy Streets in the west core of downtown Winnipeg. Morguard holds an undivided 20% interest in the property; the remaining 80% interest is held by a Canadian pension fund investor. The rights and obligations of the co-owners are set out in the Co-owner's Agreement dated December 17, 2015.

## ONTARIO

### *15 Bridge Street, Belleville, Ontario ("Quinte Consolidated Courthouse")*

The Quinte Consolidated Courthouse is a six-storey tower on a 5.5 acre site in downtown Belleville. The building was developed through a public-private partnership (P3) to accommodate the consolidation of the Superior Court of Justice and the Ontario Court of Justice in the region. The building is clad on the outside with stone, brick and curtain wall with cooper features with 275 parking spaces including secure underground parking. The building has 10 courtrooms, 6 motion rooms, conference/settlement and judicial pre-trial rooms, courtroom support, crown attorney offices, police court bureau, victim witness assistance area, counsel services, prisoner holding areas and café. Morguard holds an undivided 50% interest in the property.

### *44 Peel Centre Drive, Brampton, Ontario ("Bramalea City Centre (Office)")*

Bramalea City Centre (Office) is a four-storey suburban office building and underground parking garage. The property is well-located, forming part of the Bramalea City Centre retail/commercial development and

was recently renovated. Morguard Corporation holds an undivided 21% interest in the property. The rights and obligations of the co-owners are set out in the Co-owners' Agreement dated March 2, 2009.

*201 City Centre Drive, Mississauga, Ontario*

201 City Centre Drive occupies a prominent location within Mississauga's City Centre and is located at the corner of Hurontario Street (Highway 10) and Burnhamthorpe Road. This 11-storey office building was constructed in 1979. The building has 24 hour concierge and security guard service, closed circuit security cameras and after hour card access system. Just steps away from Square One Shopping Centre and the Transit Hub in Mississauga, 201 City Centre Drive offers a prestigious address with a wide array of amenities. Mississauga is serviced by more major highways than any other city in the country (Highways 403, 410, 401, 407, 427 and the QEW) and provides convenient access to downtown Toronto and the balance of the Greater Toronto Area. Morguard holds an undivided 50% interest in the property; the remaining 50% interest is held by a Canadian pension fund investor.

*2920 Matheson Boulevard East ("2920 Matheson East")*

2920 Matheson East is a nine-storey Class "A" office complex. The building was constructed in 1988 and has an average floor plate of 25,000 square feet. There is a 2,000 square foot loading dock, which includes three truck height bays. There are 878 spaces in deck and surface parking, and 30 underground parking spaces. The building is located in the Airport Corporate Centre node, which is located west and south of Highways 427 and 401 in Mississauga, Ontario.

*33 City Centre Drive, Mississauga, Ontario*

Located in the heart of Mississauga at the corner of Hurontario Street (Highway 10) and Burnhamthorpe Road, this six-storey atrium style office building was constructed in 1977 with a complete interior retro-fit in 2006. Just steps away from Square One Shopping Centre and the Transit Hub in Mississauga, 33 City Centre Drive offers a prestigious address with a wide array of amenities. A typical floor plate of 40,000 square feet comprises 3 interconnected pods, 2 of which are approximately 10,000 square feet each and the 3rd pod comprises approximately 20,000 square feet. There is concierge service, on-site security with closed circuit security cameras and after hour card access system. Mississauga is serviced by more major highways than any other city in the country (Highways 403, 410, 401, 407, 427 and the QEW) and provides convenient access to downtown Toronto and the balance of the Greater Toronto Area. Morguard holds an undivided 50% interest in the property; the remaining 50% interest is held by a Canadian pension fund investor.

*55 City Centre Drive, Mississauga, Ontario*

This 11-storey office building was constructed in 1972. Concierge service and security is provided by 24 hour guard service with closed circuit television monitoring and after hour card access system. Just steps away from Square One Shopping Centre and the Transit Hub in Mississauga, 55 City Centre Drive offers a prestigious address with a wide array of amenities. 55 City Centre Drive occupies a prominent location within Mississauga's City Centre, at the major intersection of Hurontario Street (Highway 10) and Burnhamthorpe Road. Mississauga is serviced by more major highways than any other city in the country (Highways 403, 410, 401, 407, 427 and the QEW) and provides convenient access to downtown Toronto and the balance of the Greater Toronto Area. Morguard holds an undivided 50% interest in the property; the remaining 50% interest is held by a Canadian pension fund investor.

*77 City Centre Drive, Mississauga, Ontario*

77 City Centre, located in the Heart of Mississauga, at the corner of Hurontario Street (Highway 10) and Burnhamthorpe Road, is a Class A office building. Just steps away from Square One Shopping Centre and the Transit Hub in Mississauga, 77 City Centre Drive offers a prestigious address with a wide array of amenities. Floor plates range in size from 14,000 to 36,000 square feet. There is concierge service, on-site security with closed circuit security cameras and after hour card access system. Mississauga is serviced by more major highways than any other city in the country (Highways 403, 410, 401, 407, 427 and the QEW) and provides convenient access to downtown Toronto and the balance of the Greater

Toronto Area. Morguard holds an undivided 50% interest in the property; the remaining 50% interest is held by a Canadian pension fund investor.

*131 Queen Street, Ottawa, Ontario*

131 Queen Street is a 13-storey, Class A, mixed use development, consisting of office, retail, and 36 furnished residential suites. There is a three level underground garage with 226 parking spaces. The building has a stepped back design with a four storey heritage elevation on Sparks Street rising to 13 storeys on Queen Street. The apartments are located in the four-level Sparks Street location. A central atrium is situated between the apartment units and the office area extending to the seventh floor with a skylight at the eighth. The office component of the property is leased to Public Works and Government Services Canada. The building is located in the core of the Ottawa Central Business District in very close proximity to Parliament Hill.

*301 Laurier Avenue, Ottawa, Ontario*

301 Laurier Avenue is a five-storey downtown office building with ground floor retail, acquired in June 2014. The building was constructed in 1945. It is very well located at the corner of Laurier Avenue West and Bank Street in the CBD. Morguard REIT holds a 50% undivided interest in the property together with a pension fund, who holds the remaining 50% interest. The property adjoins the Standard Life Centre and its strategic acquisition completes the "Phase III development/redevelopment site" by adding a corner location and full block frontage along Bank Street.

*350 Sparks Street, Ottawa, Ontario*

350 Sparks Street is a mixed use project comprising a 12-storey, Class "B" office tower plus a two tower, 10 and 18-storey hotel. The project shares a common lobby and underground 273 car parking garage and was developed between 1973 and 1976. The office tower has an average floorplate of 14,800 square feet and is serviced by three elevators which were upgraded in 2010. The complex is located on the northwest fringe of the Ottawa Central Business District. The hotel towers are currently closed and slated for a major redevelopment which will include the addition of an international hotel brand.

*525 Coventry Road, Ottawa, Ontario ("525 Coventry")*

525 Coventry is a single-story building. The property sits on a 2.8 acre site located in close proximity to St. Laurent Centre, one of Morguard REIT's major regional shopping centres. The building was completed in 1965 and renovated in 2001.

*181 Queen Street, Ottawa, Ontario ("CBC Ottawa Broadcast Centre")*

181 Queen Street is an 11-storey, Class A office tower leased to Public Works and Government Services Canada and occupied by the Canadian Broadcasting Corporation. Floor plates in the office tower vary from 34,000 square feet of gross leaseable area on the 2nd floor to 12,000 square feet of gross leaseable area on the 11th. The tower is serviced by four elevators, and has a three-level underground 191 parking space garage and 24,730 leaseable square feet of storage serviced by two elevators. The building has a central location across from the Sunlife Centre in the Ottawa Central Business District.

*955 Green Valley Crescent & 1101 Prince of Wales Drive, Ottawa, Ontario ("Green Valley Office Park")*

Green Valley Office Park is a consolidation of four multi-tenant buildings consisting of two and three-storeys with an elevator and atrium in each two building complex. The development is located in suburban Ottawa on Prince of Wales Drive, near the intersection of Heron Road. The buildings were built in 1985 and 1987 on 4.35 acres. There are in aggregate 414 parking stalls on-site.

*155 Queen Street, Ottawa, Ontario ("Heritage Place")*

Heritage Place is a 14-storey, Class A office tower located in the Central Business District and Parliamentary District of Ottawa. The building is situated on a 0.6 acre rectangular site with frontage on

Queen Street. There are 85 underground parking stalls on this property. The complex was completed in 1985. Morguard REIT holds a 50% undivided interest in the property together with a pension fund co-owner, who holds the remaining 50% interest. The rights and obligations of the co-owners are set out in an agreement dated December 15, 2006.

*150 Elgin Street, Ottawa, Ontario ("Performance Court")*

Performance Court is a 21-storey, LEED Gold office building with retail at grade. It is strategically situated in the central business district on one of Ottawa's most important streets, just south of Parliament Hill, across from City Hall and Confederation Park and close to the Rideau Canal and ByWard Market. Integrated into the office tower is a 7,000 plus square foot winter garden that encapsulates the historic Grant House, a designated heritage property, built in 1875. A 6,000 square foot public rooftop terrace is on the seventh floor podium.

*1400 St. Laurent Boulevard, Ottawa, Ontario ("St. Laurent Business Centre")*

St. Laurent Business Centre is a six-storey multi-tenant office building is located on the St. Laurent Centre site. The building was built in 1985. The lobby and public areas on each floor were upgraded in 1997/1998. The property benefits from its proximity to the St. Laurent Centre and all of the related amenities.

*280 Slater Street, 333 Laurier Place, 132-148/152-160 Bank Street, Ottawa, Ontario ("Standard Life Centre")*

The Standard Life Centre consists of two, ten-storey Class A office towers situated on a 1.0 acre site. The complex is located in the Central Business District in Ottawa. Standard Life I was completed in 1990 and Standard Life II was completed in 1992. The complex is serviced by an underground parking structure containing 321 parking stalls. The property adjoins 301 Laurier Avenue and its strategic acquisition completes the "Phase III development/redevelopment site" by adding a corner location and full block frontage along Bank Street. Morguard REIT owns an undivided 50% interest in the property with a Canadian pension fund investor.

*47 Clarence Street, Ottawa, Ontario ("Time Square")*

Time Square is a multi-tenant retail/office complex situated on a 0.94 acre rectangular corner site. Forty-five tenants occupy its four levels around a large atrium. The ground floor level is mostly street-front retail. The building was completed in the spring of 1983. It enjoys a premier location in the heart of Ottawa's Byward Market area.

*200 Yorkland Boulevard, Toronto, Ontario ("200 Yorkland")*

200 Yorkland is an 11-storey, multi-tenant suburban office building located in North York area of Toronto. The building is situated on a 2.33-acre rectangular site with frontage on Yorkland Boulevard in the Consumers Road Business Park, at the northeast quadrant of Highway 401 and the Don Valley Parkway (Highway 404). The property is readily accessible to both public and private vehicular transportation and amenities are available nearby including a variety of restaurants and retail shopping. 200 Yorkland was developed in 1991 and includes a three level exterior parkade linked by a covered walkway, with 372 parking spaces.

*77 Bloor Street West, Toronto, Ontario ("77 Bloor")*

77 Bloor is a 21-storey Class A office building located on the southwest corner of Bloor Street West at Bay Street in Toronto. The building contains two levels of underground parking. The major tenant, occupying approximately 60% of the rentable area, is a major Canadian Chartered Bank. 77 Bloor was built in 1969, and has been renovated several times, most recently in 2013. Morguard REIT holds a 50% undivided interest in the property together with a Canadian pension fund co-owner, who holds the remaining 50% interest. The rights and obligations of the co-owners are set out in an agreement dated

December 15, 2009. The co-owner's agreement contains "right of first opportunity" and "buy-sell" provisions.

*945 Wilson Avenue, Toronto, Ontario*

945 Wilson Avenue is a Class B industrial building situated within a mixed-use neighbourhood, adjacent to residential development and Highway 401 in Toronto. The building has 24' clear ceiling heights. The building was built in 1970 on a 10 acre site. Morguard holds an undivided 32% interest in the property.

*4720 Tahoe Boulevard, Mississauga, Ontario ("Creekside Corporate Centre")*

Creekside Corporate Centre is a six-storey, 301, Class A" campus-style," two-tower office complex, 100% occupied by Toronto-Dominion Bank. The building is the first in a series of TD campus-style buildings planned for development in southeastern Mississauga at the "Creekside Business Park". The towers were constructed in 2002 by TD. The assets benefit from ground level food & beverage areas, underground and surface parking (1250 spots). The towers have an average floor plate of 25,000 square feet per tower.

*65 Overlea Boulevard, Toronto, Ontario ("Leaside Corporate Centre")*

Leaside Corporate Centre is a five-storey Class A office tower with 40 surface parking spaces and three levels of underground parking with 282 spaces. The average floorplate is 19,100 square feet. The building is located on the southeast corner of Overlea Boulevard and Thorncliffe Road in East York and is accessible by public transit. The building was completed in 1990. Morguard holds an undivided 95% interest in the property.

## QUEBEC

*2341 Alfred-Nobel Boulevard, Technoparc Montreal, St. Laurent, Quebec ("Place Innovation")*

Place Innovation is a four-building interconnected office complex, located within Technoparc Montreal, the largest technology park in Canada, in the Montreal borough of Saint-Laurent, Quebec. The property is located on a 126 acre site that includes 56 acres of land available for future development.

## NEW BRUNSWICK

*15 Market Square, Saint John, New Brunswick, ("Saint John City Hall")*

Saint John City Hall is a 15-story, Class B office tower, including 8,700 square feet ancillary retail and a dedicated above-grade parking facility. The building is anchored by the City of Saint John for its municipal offices. The building is attached to the adjacent office buildings via a pedestrian-way through the retail level of the building. It has decked parking for 105 cars outside with another 15 spaces indoors. The office tower has an average floor plate of 10,179 square feet and is serviced by three elevators. The complex is located in the centre of downtown Saint John. Morguard owns an undivided 50% interest in the property.

## OFFICE PROPERTIES – UNITED STATES

### FLORIDA

*555 Southwest 26 Avenue, Pompano Beach, Florida ("Palm Aire Office Building")*

Palm Air Office Building is located adjacent to the Morguard regional office in Pompano Beach, Florida and has excellent exposure - located on the highly trafficked Powerline Road and well positioned between the city of Fort Lauderdale and Boca Raton. The building features golf course views to the West, Mediterranean architecture and tile finish on the exterior of building. There are 8 units, one of the first floor units features a second floor and patio.

## HOTEL PROPERTIES - CANADA

### BRITISH COLUMBIA

#### *900 Quayside Drive, New Westminster, British Columbia ("Inn at the Quay")*

Inn at the Quay consists of a ten-storey, 126-room, waterfront hotel located in the high-density area of downtown New Westminster, British Columbia, overlooking the Fraser River. Inn at the Quay is the only major hotel in New Westminster and is a popular venue for corporate functions and weddings. The hotel features a variety of amenities including a 172-seat restaurant under lease to The Boathouse Restaurant (a west coast restaurant chain), approximately 4,000 square feet of meeting space, 150 surface and parkade stalls and other amenities including a fitness centre, whirlpool, sauna and business centre.

### ALBERTA

#### *123 Freeport Boulevard Northwest, Calgary Alberta ("Acclaim Hotel")*

The Acclaim Hotel is a four-storey, full-service hotel featuring 225 guestrooms, 6500 square feet of banquet and meeting space, two roof-top outdoor whirlpools, a leased restaurant and lounge and 260 surface parking spaces and a 40 stall underground parking garage. The hotel opened in 2009 with 123 guestrooms and was expanded during 2012 and 2013 by an additional 102 guestrooms.

#### *17610 Stony Plain Road in Edmonton, Alberta ("Hilton Garden Inn")*

Hilton Garden Inn is a six-storey, 160 room hotel which opened in 2004 and is located at, in close proximity to Edmonton's West End Business District and just minutes away from West Edmonton Mall, a popular tourist destination. The hotel is suited for both business and leisure travel. The hotel includes five executive suites, each having a private seating area, jacuzzi tub and two-way fireplace. Other amenities include 4,049 square feet of banquet and meeting space, a heated indoor pool, whirlpool and fitness room, a restaurant and lounge under lease to a tenant/operator, 206 surface parking spaces and other amenities including a market pantry, business centre, guest laundry facilities and vending area.

#### *435 Gregoire Drive, Fort McMurray, Alberta ("Radisson Hotel & Suites")*

The Radisson Hotel & Suites is a five-storey hotel which opened in 2003, and contains 134 guestrooms, including 28 suites and an executive floor with 23 rooms. The Radisson Hotel & Suites also contains 5,650 square feet of meeting space, a variety of recreational activities including a heated indoor pool with waterslide, whirlpool and fitness room, a 175 seat leased-out restaurant, 221 surface parking spaces and a business centre.

#### *118 Millennium Drive, Fort McMurray, Alberta ("Clearwater Residence Hotel – Timberlea")*

Clearwater Timberlea is a four-storey, 66-suite building, with a 93-stall underground parkade on a 3.78 acre site and is comprised of six one-bedroom and 60 two-bedroom suites. Timberlea operates as a satellite of the Clearwater Suite Hotel.

#### *4 Hainault Street, Fort McMurray, Alberta ("Clearwater Suite Hotel")*

The Clearwater Suite Hotel consists of a four level, 150 unit condominium complex, which is operated as an extended stay hotel. The Clearwater Suite Hotel is permitted to operate as an apartment hotel, consisting of studio and one-bedroom units contained within a building or a part of a building having a principal common entrance. Units are suitable for use by one or more persons for more than five consecutive days. All the units include a kitchen and a four piece bathroom and are fully furnished, including appliances such as a refrigerator, stove, washer/dryer, microwave oven and dishwasher. The upper level units all feature balconies and each of the one-bedroom units have a fireplace.

*122 Millennium Drive, Fort McMurray, Alberta ("Cortona Residence")*

Cortona Residence is a four-storey, 57 suite property. The property includes a 90-stall underground parkade and additional surface parking. The property is the adjacent sister property to the Clearwater Timberlea, Temple Hotels's extended-stay hotel in the Timberlea area of north Fort McMurray. The property is 100% leased until August 30, 2018 on a triple net basis to a major oil sands company. Temple intends to convert the property to an extended stay hotel upon the expiry of the lease in 2018.

*10300 Franklin Avenue, Fort McMurray, Alberta ("Franklin Suites")*

The Franklin Suites consists of a five-storey, 75-suite extended stay hotel apartment complex. The property offers boutique-style suites with kitchenettes geared towards longer stay or family guests. The suites entail 11 separate floor plans all featuring an open design with areas varying from 498 square feet to 584 square feet. The property also features a fitness centre, coffee shop, 43 surface parking stalls and 51 underground parking stalls.

*8200 Franklin Avenue, Fort McMurray, Alberta ("Merit Hotel and Suites")*

The Merit Hotel and Suites consists of a 160-room full service hotel. The rooms include a full range of amenities including microwave oven and refrigerator with the deluxe suites having a jacuzzi tub and fireplace. The property design consists of a four-storey structure with underground parking, banquet facilities, meeting rooms, a lounge, restaurant, indoor pool and hot tub.

*10006 MacDonald Avenue, Fort McMurray, Alberta ("Nomad Hotel")*

The Nomad Hotel consists of a seven-storey, 139-room full service hotel. The property features a variety of types of guest rooms and also includes four suites. As a full service hotel, the property includes a coffee house, bar and grill and The Keg Steakhouse and Bar. The property has both surface and underground parking.

*10025 Gordon Avenue, Fort McMurray, Alberta ("Nomad Suites")*

The Nomad Suites consists of a four-storey building, which has 27 apartment style suites fully furnished for hotel use on an extended stay basis. The suites are all two-bedroom with two bathrooms, a gas fireplace, a balcony and an office area. Booking and room arrangements are directed from the Nomad Hotel approximately three blocks away.

*200 Parent Way, Fort McMurray, Alberta ("Vantage Inn & Suites")*

The Vantage Inn & Suites is a four-storey, 83-room full service hotel. The property includes meeting facilities, a sports bar, business centre, fitness centre and continental breakfast area.

*5411 – 44 Street (the Yellowhead Highway), Lloydminster, Alberta ("Days Inn Hotel and Suites")*

Days Inn Hotel and Suites is a six-storey, 130-room, full service hotel. The property also contains banquet and conference facilities for up to 450 people, a licensed restaurant, cocktail lounge, liquor store, indoor swimming pool and fitness centre.

*32<sup>nd</sup> Street and Gaetz Avenue (50<sup>th</sup> Avenue), Red Deer Alberta ("Sheraton Red Deer")*

Sheraton Red Deer is a 14-storey, 241-room full service hotel, trade and conference centre. The property is situated on a 10.7 acre parcel of land and is the largest hotel complex in Red Deer, Alberta. The property features 55,000 square feet of conference, meeting and tradeshow facilities, three restaurants, three lounges and a liquor store.

*11 Portage Lane, Sherwood Park, Alberta ("Holiday Inn Express")*

Holiday Inn Express is a four-storey, limited service. The hotel contains 90 rooms and is located at the corner of Broadmoor Boulevard and Portage Lane within the Sherwood Business Park neighbourhood. The hotel is in close proximity to Sherwood Park's Millennium Place, a major recreation centre hosting numerous sporting events during the year.

## SASKATCHEWAN

*24 Fairford Street East, Moose Jaw, Saskatchewan ("Temple Gardens Mineral Spa Resort Hotel")*

Temple Gardens is a 179-room resort hotel and spa. Temple Gardens obtains revenue from three sources: (i) a geothermal mineral water pool and spa comprising 20,000 square feet; (ii) the 179 room hotel, which offers a variety of rooms including 22 mineral water jacuzzi rooms; and (iii) food and beverage operations, including a restaurant, a café and several meeting rooms. In addition, Temple owns a 50% interest in the Casino Co-ownership, which developed the Casino Complex. Saskatchewan Gaming Corporation acquired a 25-year leasehold interest in a portion of the Casino Complex. The lease provides for the payment to the Casino Co-ownership, during years 1 to 10 inclusive, of rent in the amount of \$900,000 per annum, and during years 11 to 25 inclusive, of rent in the amount of \$955,000 per annum. At the end of the lease term, being 2027, the Casino Co-ownership will transfer title to the premises that it leases to Saskatchewan Gaming Corporation for \$1.00.

*1700 Broad Street, Regina, Saskatchewan ("Wingate by Wyndham Regina")*

The Wingate by Wyndham Regina is a seven-storey property, which opened in 2008, and contains 118 guestrooms, a 36 seat complimentary breakfast area, a 6,000 square foot leased-out restaurant, 1,437 square feet of meeting and banquet facilities, a business centre and a fitness centre.

*2002 Airport Drive, Saskatoon, Saskatchewan ("Saskatoon Inn")*

Saskatoon Inn is an eight-storey, full-service conference hotel, which opened in 1981 and consists of 250 guestrooms, including 21 suites, and over 28,000 square feet of meeting and banquet space, including the largest hotel ballroom in Saskatoon at 15,730 square feet. The hotel also has a restaurant and lounge, fitness centre, indoor pool, whirlpool and three-storey interior garden courtyard.

## MANITOBA

*1330 Pembina Highway, Winnipeg, Manitoba ("Holiday Inn South")*

Holiday Inn South is an 11-storey full-service hotel. The hotel contains 170 guestrooms, 7,500 square feet of banquet and meeting facilities, restaurant, lounge, indoor swimming pool, whirlpool, fitness area and business centre.

## ONTARIO

*83 Colborne Street, London, Ontario ("Residence Inn Marriott")*

The Residence Inn Marriott is located in downtown London, Ontario near the University of Western Ontario, John Labatt Centre and London Health Sciences Centre. The 13 storey extended stay hotel was completely renovated in 2010 and features 116 suites, each with separate sleeping and living areas and a fully equipped kitchen. The hotel also includes meeting facilities for up to 40 people, business centre, fitness centre and access to an indoor track and swimming pool. Complimentary guest amenities include a hot buffet breakfast. Temple Hotels holds an undivided 50% interest in the property.

*65 Minthorn Boulevard, Markham, Ontario ("Courtyard Marriott Markham")*

Courtyard Marriott Markham is a six-storey hotel constructed in 2002, containing 144 guest rooms, bordered by Highways 404 and 407, Leslie Street and Highway 7, and nearby corporate offices such as AMD, Honeywell, IBM, Motorola, Nestle, and Unilever. A \$1.6 million renovation was completed in 2011/2012. Amenities and services include a fitness centre, indoor swimming pool and whirlpool, and a 24-hour full-service business centre. There are 144 parking spaces for the hotel.

*55 Minthorn Boulevard, Markham, Ontario (“Residence Inn Marriott”)*

Residence Inn Marriott is a five-storey extended-stay hotel constructed in 2002 containing 100 guest rooms bordered by Highways 404 and 407, Leslie Street and Highway 7, and nearby corporate offices such as AMD, Honeywell, IBM, Motorola, Nestle, and Unilever. Each room features a full kitchen, 32 or 37-inch LCD televisions and complimentary wireless internet access. Property amenities include an indoor swimming pool, whirlpool, fitness centre, outdoor BBQ/picnic area, recreational Sport Court® and tennis court. The hotel offers a boardroom that can accommodate up to 12 people. There are 100 parking spaces for the building.

*7015 Century Avenue, Mississauga, Ontario (“Courtyard Marriott Mississauga”)*

Courtyard Marriott Mississauga is a six-storey hotel constructed in 2002, containing 144 guest rooms, off Highway 401 surrounded by leading companies such as General Electric, Hewlett Packard and Kelloggs, several major office development projects, and just nine miles west of Canada’s largest airport. Amenities include a 24-hour business centre, fitness facilities, indoor swimming pool and whirlpool, two meeting rooms, and complimentary internet, parking and shuttle service to local offices. A \$1.6 million renovation was completed in 2011/2012. There are 144 parking spaces for the hotel.

*1870 Matheson Boulevard, Mississauga, Ontario (“Hilton Garden Inn Airport North”)*

The Hilton Garden Inn Airport North is a nine-storey, 152 room focused service hotel. The property includes a restaurant/bar/lounge, 3,500 square feet of function space, indoor pool with whirlpool, fitness room, business centre, 24 hour convenience store and 145 parking spaces.

*7005 Century Avenue, Mississauga, Ontario (“Residence Inn Marriott”)*

Residence Inn Marriott is a five-storey extended-stay hotel constructed in 2002 containing 100 guest rooms off Highway 401 surrounded by leading companies such as General Electric, Hewlett Packard and Kelloggs, several major office development projects, and just nine miles west of Canada’s largest airport. The hotel offers a range of amenities and services including a business centre, one boardroom, indoor swimming pool and whirlpool, fitness centre, outdoor Sport Court®, fully-equipped kitchen, and complimentary grocery shopping service. There are 92 parking spaces for the hotel.

*350 Dalhousie Street, Ottawa, Ontario (“Courtyard Marriott Ottawa Downtown”)*

The Courtyard Marriott is located in the Byward Market area of downtown Ottawa, surrounded by more than 100 restaurants, bistros and shops. The hotel is within walking distance of the Parliament Buildings, the National Arts Centre, the National Art Gallery and the Museum of Civilization. The four-storey, full service hotel includes 183 guest rooms, all of which were completely renovated in 2010 and 2011. The hotel also features 5,000 square feet of banquet and meeting facilities, an indoor pool, fitness centre, business centre and Bistro restaurant. Temple Hotels holds a 50% undivided interest in the property.

*2055 Robertson Road, Ottawa, Ontario (“Holiday Inn Express – Ottawa West”)*

Holiday Inn Express – Ottawa West is a six-storey, limited service hotel located in the west Ottawa neighbourhood of Nepean. The Holiday Inn Express – Ottawa West has 115 guestrooms, 160 parking stalls, meeting rooms and a fitness facility.

*1710 The Kingsway, Sudbury, Ontario (“TownePlace Suites by Marriott”)*

TownePlace Suites by Marriott is a six-storey, 105 suite extended stay hotel. The property includes a breakfast room, bar/lounge, 1,935 square feet of function space, indoor pool with whirlpool, fitness room, business centre, gift shop and 106 parking spaces.

*1250 Golf Links Road, Thunder Bay, Ontario (“Days Inn North”)*

The Days Inn North is a three-storey, 92 room limited service hotel. The property includes a breakfast room, a 350 square foot board/meeting room, fitness room and 100 parking spaces.

*645 Sibley Drive, Thunder Bay, Ontario (“Days Inn Sibley”)*

The Days Inn Sibley is a three-storey, 92 room limited service hotel. The property includes a breakfast room, a 700 square foot board/meeting room, fitness room, indoor swimming pool with spa and 112 parking spaces.

*231 Carlingview Drive, Toronto, Ontario (“Courtyard by Marriott Toronto Airport”)*

Courtyard by Marriott Toronto Airport opened in 2001 and contains 168 guest rooms on an approximately 4.5 acres site close to the airport. All guest rooms have free wireless high speed internet. Amenities and services include indoor pool and whirlpool, fitness facility, business centre, guest laundry, airport shuttle and on-site restaurant. There are 142 parking spaces for the hotel.

*221 Carlingview Drive, Toronto, Ontario (“Hotel Carlingview Toronto Airport”)*

Hotel Carlingview Toronto Airport opened in 1978 and contains 112 guest rooms on an approximately 4.5 acres site close to Pearson International Airport. All guest rooms have free wireless high speed internet. Amenities and services include an airport shuttle and on-site restaurant. There are 115 parking spaces for the hotel and 40 parking spaces for the restaurant.

*17 Reading Court, Toronto, Ontario (“Residence Inn Marriott Toronto Airport”)*

Residence Inn Marriott Toronto Airport opened in 2005 and contains 137 guest suites on an approximately 4.5 acres site close to Pearson International Airport. All guest suites have free wireless high speed internet. Amenities and services include indoor pool and whirlpool, fitness facility, Sport Court®, business centre, guest laundry and airport shuttle. There are 139 parking spaces for the building.

*901 Dixon Road, Toronto, Ontario (“Toronto Airport Marriott”)*

Toronto Airport Marriott Hotel is a ten-storey hotel constructed in 1983, containing 424 guest rooms, on over five acres at Pearson International Airport. Approximately \$9.5 million has been invested in renovations over the past five years. Amenities and services include a 26,000 square foot banquet facility, hotel operated restaurant, fitness centre and pool. There are over 200 parking spaces for the building. Morguard owns an undivided 95% interest in the property.

*150 Interchange Way, Vaughan, Ontario (“Courtyard Marriott Vaughan”)*

Courtyard Marriott Vaughan is a six-storey hotel constructed in 2002, containing 144 guest rooms, in the Interchange Complex off Highway 400, south of Highway 7, and centrally located near the “Vaughan Metropolitan Centre”, a downtown district that will be built out through 2031 with an array of high-density mixed-uses. A \$1.6 million renovation was completed in 2011/2012. Amenities and services include a business centre, modern fitness equipment, indoor swimming pool and whirlpool, and an outdoor barbeque and picnic area. There are 140 parking spaces for the hotel.

## **NOVA SCOTIA**

*1583 Brunswick Street, Halifax, Nova Scotia (“Cambridge Suites Halifax”)*

The Cambridge Suites Halifax is a six-storey, all suite, full service hotel. The Cambridge Suites Halifax opened in 1986 and features 200 suites, a restaurant, 3,000 square feet of meeting space, an indoor whirlpool, exercise room, business centre and market pantry. The hotel also has 123 parking spaces (24 surface and 99 underground) and 20,080 square feet of leaseable commercial space.

*1725 Market Street, Halifax, Nova Scotia (“Prince George Hotel”)*

The Prince George Hotel is a six-storey, full-service hotel. The Prince George Hotel opened in 1986 and features 203 guestrooms, two restaurants, a lounge, 5,900 square feet of meeting space, an indoor pool

and whirlpool, an exercise room, a business centre and a vending area. The hotel also has a 228 stall underground parking garage and 6,620 square feet of leasable space.

*380 Esplanade Road, Sydney, Nova Scotia ("Cambridge Suites Sydney")*

Cambridge Suites Sydney is a nine-storey, all suite, full service hotel. The Cambridge Suites Sydney opened in 1989 and features 145 suites, a restaurant, lounge, 1,500 square feet of meeting space, an indoor whirlpool, exercise room, business centre and market pantry. The hotel also has 115 surface parking spaces.

#### **NORTHWEST TERRITORIES**

*4401 – 50<sup>th</sup> Avenue, Yellowknife, Northwest Territories ("Days Inn")*

The Days Inn consists of a four-storey, 60-room hotel complex and a three-storey, 20-room annex which were built in 2000 and 2003, respectively. The property offers a full range of services, including a full-service restaurant, lounge, room service, meeting and conference rooms, business centre, fitness centre and spa services. Days Inn fronts onto Franklin Avenue in downtown Yellowknife.

*476 Range Lake Road, Yellowknife, Northwest Territories ("Stanton Suites Hotel")*

Stanton Suites Hotel (formerly Nova Court) is a 106 suite, extended-stay property, located adjacent to Stanton Territorial Hospital and in close proximity to the Yellowknife Airport. The property also contains approximately 8,300 square feet of unfinished space on the first floor which could be redeveloped into additional rooms..

## APPENDIX C

### MANDATE OF THE AUDIT COMMITTEE

#### I. PURPOSE

The primary function of the Audit Committee is to assist the board of directors (the "Board") of Morguard Corporation (the "Corporation") in fulfilling its financial oversight responsibilities by:

1. reviewing and approving the annual and quarterly financial statements, related management's discussion and analysis of financial conditions and results of operations ("MD&A"), annual and quarterly earnings press releases and other financial information before such information is disclosed by the Corporation to the public;
2. recommending the appointment and compensation of, and reviewing and appraising the audit efforts of, the Corporation's External Auditor;
3. providing a mechanism for dispute resolution among the External Auditor and management and the Board;
4. overseeing the work of the External Auditors, including the review of quarterly financial statements and/or MD&A by the Corporation's External Auditors; and
5. monitoring the Corporation's financial reporting processes and internal controls, the Corporation's processes to manage financial risk and the Corporation's compliance with legal and regulatory requirements.

In performing its duties, the Audit Committee will maintain effective working relationships, including engaging in full and frank discussions, with the Board, management, and the internal and External Auditors. To perform his or her role effectively, each Audit Committee member will obtain an understanding of the detailed responsibilities of Audit Committee membership as well as the Corporation's business, operations and risk. Consistent with this function, the Audit Committee should encourage continuous improvement of, and should foster adherence to, the Corporation's policies, procedures and practices at all levels. In discharging its responsibilities, the Audit Committee is not itself responsible for the planning or conduct of audits or for any determination that the Corporation's financial statements are complete and accurate or in accordance with Canadian generally accepted accounting principles.

#### II. EXTERNAL AUDITOR INDEPENDENCE

The Corporation's External Auditor is ultimately accountable to the shareholders through the Board and the Audit Committee. The Audit Committee's responsibilities regarding the independence of the External Auditor are identified under the heading "Duties, Powers and Responsibilities: External Audit".

#### III. COMPOSITION AND OPERATIONS

- A. The Audit Committee shall be comprised of not less than three Directors, all of whom shall be independent and financially literate within the meaning of Multilateral Instrument 52-110 (as the same may be amended or replaced from time to time).
- B. An Audit Committee member will be considered independent if he or she is free from any relationship that, in the view of the Board, could reasonably interfere with the exercise of his or her independent judgment as a member of the Audit Committee.
- C. All Audit Committee members shall have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that could reasonably be expected to be raised in the Corporation's financial statements.
- D. Where the Board is required to fill a vacancy on the Audit Committee resulting from a death, disability or resignation, the member appointed to fill this vacancy is exempted from the requirement of being independent and financially literate for a period ending on the later of (i) the next annual meeting of the Corporation; and (ii) the date that is six months from the day the vacancy was created.
- E. The Secretary to the Committee will be the Corporate Secretary or his or her delegate.
- F. The Audit Committee shall meet at least once each quarter. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials.

- G. The Corporation's internal auditor shall be entitled to receive notice of every meeting of the Audit Committee, and shall attend such meetings at the invitation of the Audit Committee. The External Auditor shall be entitled to receive notice of every meeting of the Audit Committee and to attend and be heard thereat. The Audit Committee expects that both the internal and External Auditors will have independent communication and information flow with it or the Committee Chair.
- H. The Audit Committee may invite such officers, directors and employees of the Corporation as it may see fit, or any external counsel, from time to time to attend meetings of the Audit Committee and assist in the discussion and consideration of the duties of the Audit Committee. The Audit Committee shall have full authority to investigate any financial matter brought to its attention with full access to all books, records, facilities and personnel of the Corporation.
- I. The time at which and place where the meetings of the Audit Committee shall be held and the calling of meetings and the procedure in all things at such meetings shall be determined by the Audit Committee; provided that meetings of the Audit Committee shall be convened whenever requested by the External Auditor or any member of the Audit Committee in accordance with the Canada Business Corporations Act.
- J. At least once each quarter, in the absence of any management representatives, the Audit Committee shall meet with both the Corporation's internal and external auditors ("in camera meetings").
- K. The Audit Committee shall keep minutes of its meetings, which, once approved by the Audit Committee, shall be available as soon as possible to the Board and provided to each Director who so requests.

#### **IV. DUTIES, POWERS AND RESPONSIBILITIES**

There is hereby delegated to the Audit Committee the duties and powers specified in section 171 of the Canada Business Corporations Act and, without limiting these duties and powers, the Audit Committee shall be responsible for, among other things:

- A. Financial Statements
  - 1) In the discussion of the external audit plan with the External Auditor and management, satisfy itself that both quantitative and appropriate risk factors have been taken into account in the determination of whether or not amounts or disclosures are material to financial statements.
  - 2) Review the annual audited financial statements and MD&A with management and the External Auditor prior to their submission to the Board for approval, and make a determination whether to recommend to the Board that the audited financial statements and MD&A be approved for inclusion in the Corporation's Annual Report.
  - 3) Satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the financial statements and periodically assess such procedures.
  - 4) Review, prior to their dissemination, the unaudited quarterly financial statements of the Corporation and other financial information with management and the External Auditor and, if satisfied that such statements and information conform to the accounting practices and standards of the Corporation, either recommend to the Board the approval, release and publication of such statements and information or, if so authorized by the Board, approve and authorize the release and publication of such statements and information. The Audit Committee shall also discuss the results of the External Auditor's review of the Corporation's quarterly financial statements. The Committee shall also review, and if so authorized by the Board, approve the quarterly MD&A.
  - 5) Review, prior to their dissemination, annual and quarterly earnings press releases.
  - 6) In the review of annual and quarterly financial statements, discuss the quality of the Corporation's accounting principles, the reasonableness of significant judgments, the clarity of the disclosures in the financial statements and the adequacy of internal controls. The Audit Committee shall also discuss the results of the annual audit, its quarterly reviews and any other matters required to be communicated to the Audit Committee by the External Auditor under Canadian generally accepted auditing standards applicable law or listing standards.
  - 7) Review the result of the External Auditor's audit of the Corporation's financial records, including the management letter, and report to the Board any matters that remain unresolved. Such review shall

address any problems or difficulties the External Auditor may have encountered in connection with the annual audit or otherwise, including any restrictions on the scope of activities or access to required information, any disagreements with management regarding generally accepted accounting principles and other matters, material adjustments to the financial statements recommended by the External Auditor and adjustments that were proposed but “passed”, regardless of materiality.

- 8) Review periodically with management, the internal auditor and the External Auditor the effect of new or proposed regulatory and accounting initiatives on the Corporation's financial statements and other public disclosures and procedures.
  - 9) Review with the External Auditor (i) the Corporation's critical accounting policies and estimates, and (ii) any alternative treatments of financial information under Canadian generally accepted accounting principles that have been discussed with management.
- B. Internal Controls
- 1) Discuss with management, the internal auditor and the External Auditor the Corporation's major risk exposures (whether financial, operational or otherwise), the adequacy and effectiveness of the accounting and financial controls, and the steps management has taken to monitor and control such exposures and manage legal compliance programs, among other considerations that may be relevant to their respective audits.
  - 2) Review with the Chief Financial Officer on an annual basis the Corporation's system of internal controls, control culture, and risk assessment and control activities.
- C. Internal Audit
- 1) Communicate directly with the internal auditors.
  - 2) Review with management, the External Auditor and the internal auditor, audit scope, audit plans, activities and staffing of the internal audit function.
  - 3) Review with management, the External Auditor and the internal auditor, the internal auditor's periodic activity reports.
  - 4) Review on an annual basis the experience and qualifications of the senior members of the internal auditors and the overall effectiveness of the internal audit function including comparison with external benchmarks.
  - 5) Review internal audit costs annually.
  - 6) Discuss with the Chief Executive Officer any proposed dismissal, appointment or replacement of the internal auditor.
- D. External Audit
- 1) Recommend to the Board, the External Auditor to be nominated for the purpose of preparing or issuing an audit report (or any related work), as well as the compensation to be paid to such auditors.
  - 2) Ensure that the External Auditor reports directly to the Audit Committee and that the auditor's engagement letter is addressed to, and signed by, the chair of the Audit Committee.
  - 3) Oversee the work of the External Auditors engaged for the purpose of preparing or issuing an audit report or other audit, review or attest services work.
  - 4) Review with the External Auditor, management and the internal auditor the External Auditor's proposed audit plan and approach, including coordination with the internal auditor and the relationship between areas of audit emphasis and quantum of risk.
  - 5) Pre-approve all non-audit services to be provided to the issuer or its subsidiary entities by its External Auditor or the External Auditor of its subsidiary entities. The Audit Committee need not pre-approve non-audit services provided by the external auditors, so long as the non-audit services in question are de minimis as defined in Multilateral Instrument 52-110 (as the same may be amended or replaced from time to time). The Audit Committee is permitted to delegate its pre-approval responsibilities to one or more of its independent members.
  - 6) Review with the External Auditor annually their written statement regarding relationships and services which may affect the External Auditor's objectivity and independence.
  - 7) At least annually, receive a report by the External Auditor describing any material issues raised by the most recent internal quality control review of the local practice office or by any inquiry or

investigation by governmental or professional authorities of the local practice office, within the preceding two years, and steps taken to address any such issues. The report shall also include any similar matters pertaining to offices other than the local practice office, to the extent the audit partner is aware of such matters.

- 8) Ensure the regular rotation of the lead partner and the reviewing partner to the extent required by law, and regularly consider whether or not there should be a rotation of the Corporation's External Auditor.
  - 9) With management, evaluate the performance of the External Auditor annually.
  - 10) Review and approve guidelines for the Corporation's hiring of employees, partners and former employees and partners of the External Auditor and its predecessor.
- E. Compliance and Reporting Requirements
- 1) The Audit Committee shall also meet periodically and separately with the General Counsel and other appropriate legal staff of the Corporation or external counsel to review material legal affairs of the Corporation and the Corporation's compliance with applicable law and listing standards.
  - 2) Regularly update the Board about Committee activities and ensure the Board is aware of matters which may significantly impact the financial condition or affairs of the Corporation.
  - 3) The Audit Committee must provide the Corporation with the disclosure regarding the Audit Committee and its members required by Multilateral Instrument 52-110 and Form 52-110F (as the same may be amended or replaced from time to time).
  - 4) Prepare annually a report for inclusion in the management information circular. This report will cross-reference to the Audit Committee information contained in the AIF and disclose the Committee's activities that resulted from its financial reporting oversight responsibilities. Specifically, the report will deal with its review of the financial statements with management, the discussions it has had with the External Auditor regarding their written disclosures pertaining to independence and other matters required to be discussed and will contain disclosure of all audit and non-audit fees paid to the External Auditor.
- F. Other Responsibilities
- 1) Ensure procedures are in place for the receipt, retention and treatment of complaints received by the Corporation regarding financial statement disclosure, accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
  - 2) Review annually a summary of the Corporation's transactions with directors and officers as well as any other material related party transactions.
  - 3) In assessing its own performance, the Audit Committee shall solicit feedback from the Board, the Chief Executive Officer, the Chief Financial Officer, the internal auditor and the External Auditor on specific opportunities to improve Audit Committee effectiveness.
  - 4) Review and assess the adequacy of the Terms of Reference for the Audit Committee on an annual basis.
  - 5) Carry out such other duties as may be delegated to it by the Board from time to time

**V. OUTSIDE EXPERTS**

The Audit Committee may, if and when considered appropriate to do, so, institute, direct and supervise an investigation into any matter related to the mandate of the Committee and may, for the purposes of such investigation and otherwise, retain and pay the compensation for the services of outside legal counsel or other professionals, as required.

**VI. ACCOUNTABILITY**

The Audit Committee shall report its discussion to the Board by distributing the minutes of its meetings and, where appropriate, by oral report at the next Board meeting.