



FAM Real Estate Investment Trust

ANNUAL INFORMATION FORM

Dated March 6, 2014

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FORWARD-LOOKING DISCLAIMER

Certain information in this document may constitute “forward-looking” statements which involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of FAM Real Estate Investment Trust (together with its consolidated subsidiaries, the “REIT”) or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Forward-looking statements (which involve significant risks and uncertainties and should not be read as guarantees of future performance or results) include statements related to acquisitions, development activities, future maintenance and leasing expenditures, financing, the availability of financing sources and income taxes. Management believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions; however, Management can give no assurance that actual results will be consistent with these forward-looking statements.

Without limiting the foregoing, the words “believe”, “expect”, “anticipate”, “should”, “may”, “intend”, “estimate” and similar expressions identify forward-looking statements.

Factors that could cause actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements, include, but are not limited to, general economic conditions, the availability of new competitive supply of commercial real estate which may become available either through construction or sublease, the REIT’s ability to maintain occupancy and to timely lease or re-lease space at current or anticipated rents, tenant bankruptcies, tenant defaults, changes in interest rates, changes in operating costs, governmental regulations and taxation, and the availability of financing. See “Risk Factors”.

Readers are cautioned that the foregoing list of factors that may affect future results is not exhaustive. When relying on forward-looking statements to make decisions with respect to the REIT, investors and others should carefully consider the foregoing factors and other uncertainties and potential events.

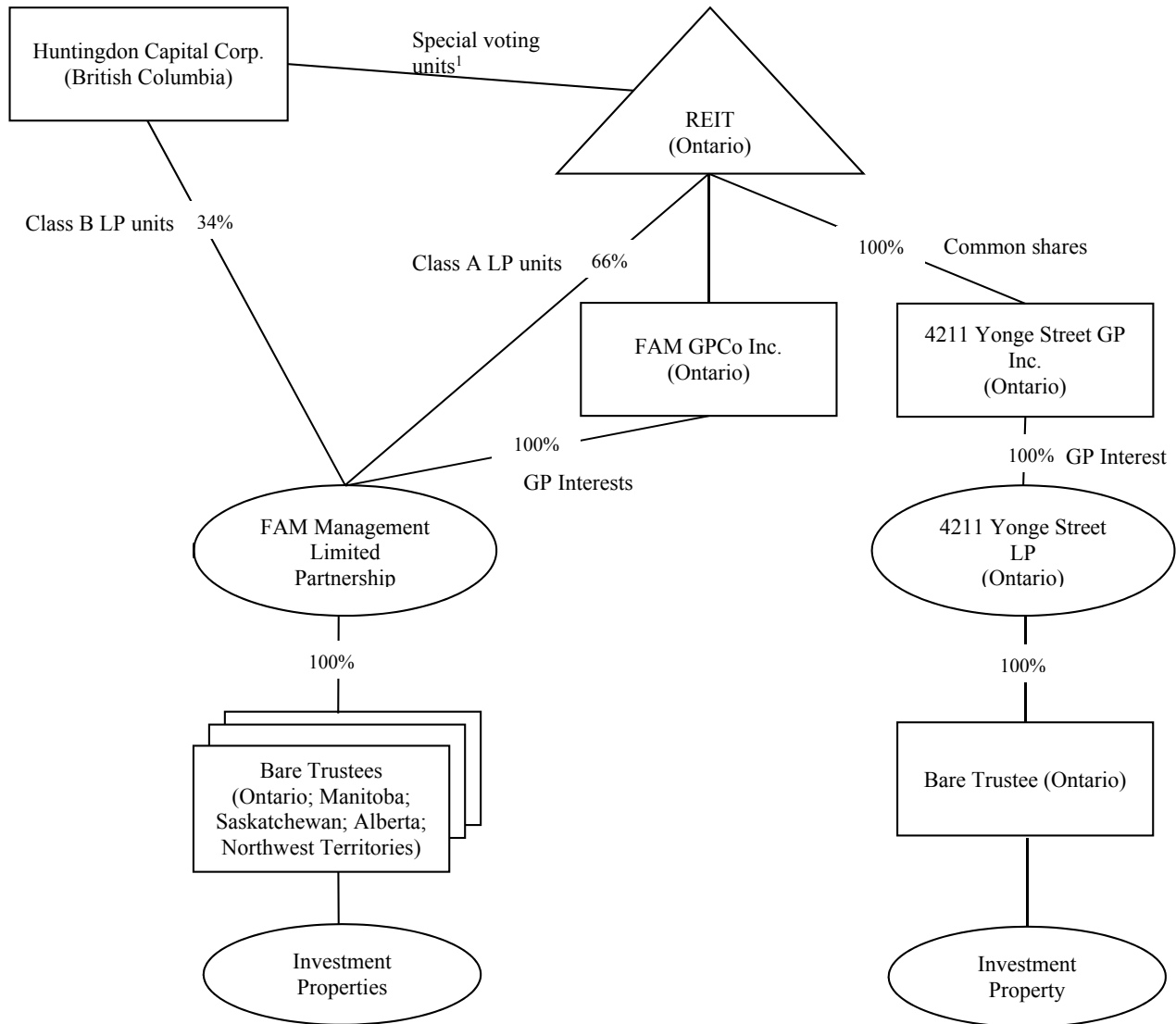
These forward-looking statements are made as of March 6, 2014 and the REIT assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

ORGANIZATIONAL STRUCTURE

The REIT is an unincorporated open-end real estate investment trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated August 27, 2012, as amended and restated on December 27, 2012 (the “Declaration of Trust”). The registered and head office of the REIT is located at 5000 Miller Road, Suite 2000, Richmond, BC, V76 1K6.

On December 28, 2012, the REIT completed its initial public offering (“IPO”) of offered units, which comprised of trust units and warrants, and acquired a portfolio of 27 income-producing office, industrial, and retail properties located in four provinces and territory of Canada (the “Initial Properties”).

The following is a simplified summary of the ownership and organizational structure of the REIT, including jurisdiction of establishment/incorporation of the various entities. All interests are held as to 100% unless otherwise noted.



Notes:

1 – Each Class B LP Unit is accompanied by one Special Voting Unit of the REIT which will provide Huntingdon Capital Corp. with a right to vote on matters respecting the REIT proportionate with its retained indirect ownership in the REIT.

Unless otherwise indicated, all information contained in this annual information form (the “Annual Information Form”) is presented as at December 31, 2013.

Unless otherwise indicated, all references to “\$” or dollars are to Canadian dollars.

GENERAL DEVELOPMENT OF THE BUSINESS

General

The REIT is a diversified commercial real estate portfolio of office, industrial and retail properties throughout Canada. The REIT’s portfolio consists of 28 properties containing 1.8 million square feet of existing leasable space.

As required by the Accounting Standards Board (“AcSB”) (Canada), the REIT has adopted International Financial Reporting Standards (“IFRS”) for interim and annual periods after January 1, 2011.

Recent History

The REIT’s primary business objective is to accumulate a portfolio of real estate assets and to deliver growing cash flows and stable and sustainable returns. The REIT’s portfolio is diversified by product type and geographic location.

Initial public offering

The REIT completed its IPO on December 28, 2012. Concurrent with the IPO, the REIT indirectly acquired from Huntingdon Capital Corp. (“Huntingdon”) the Initial Properties consisting of interests in 27 investment properties located in Alberta, Manitoba, Saskatchewan, Ontario and the Northwest Territories. The REIT filed a form 51-102F4 (a Business Acquisition Report) in respect of this acquisition. The IPO raised gross proceeds of \$58.8 million from the sale of 5.9 million units at a price of \$10.00 per unit.

An additional 128,550 whole Warrants were issued in connection with the exercise of the Over-Allotment Option pursuant to a first supplemental indenture dated January 29, 2013 between the REIT and Computershare Trust Company of Canada, as warrant agent thereunder (the “Warrant Agent”).

The REIT is managed by Huntingdon. Huntingdon provides strategic, asset management, property management, leasing, construction management and administrative services necessary to manage the day-to-day operations of the REIT and its assets, pursuant to the terms of a management agreement dated December 28, 2012 (the “Management Agreement”). Through Huntingdon, the REIT benefits from a broad network of relationships, property management and financing expertise within the commercial real estate industry.

Acquisition of investment properties

On May 1, 2013, the REIT acquired a 170,732 square foot urban office building and parkade municipally known as 4211 Yonge Street, Toronto, Ontario (“4211 Yonge”), for \$43.1 million, plus acquisition costs of \$0.8 million. The financing for the acquisition consisted of a \$25.0 million mortgage, approximately \$13.5 million of net cash proceeds from the disposition of 220 Portage Avenue, Winnipeg, Manitoba (“220 Portage”) and the remaining balance from the REIT’s existing liquidity.

On August 14, 2013, the REIT acquired a 159,752 square foot Class A office complex on an 11.1 acre site in the Greater Toronto Area, municipally known as 2655 and 2695 North Sheridan Way, Mississauga, Ontario (“The Promontory”) for \$39.0 million, plus acquisition costs of \$1.1 million. The financing for the acquisition consisted of a \$23.0 million mortgage, with the balance funded from the August 2013 equity offering.

On December 20, 2013, the REIT acquired a 30,268 square foot office building municipally known as 1700 Ellice, Winnipeg, Manitoba (“1700 Ellice”) from Huntingdon for \$4.0 million plus acquisition costs of \$0.1 million. The purchase price was settled through the issuance of 466,094 FAM Management LP Class B units, at a price of \$8.58 per unit.

Disposition of investment properties

On February 11, 2013, the REIT announced that it had entered into a binding agreement with its co-owner to acquire its co-owner's interest in 220 Portage. The agreement was structured to assign that acquisition right to Artis Real Estate Investment Trust ("Artis") on the same terms and conditions. The purchase price for the co-owner's 50% interest is \$20.5 million subject to typical closing adjustments.

In connection with this agreement, the REIT entered into a binding memorandum of understanding (the "MOU") pursuant to which Artis has granted to the REIT an irrevocable right and option to compel Artis to buy the REIT's 50% interest in 220 Portage Avenue (the "Put Option"). The Put Option may be exercised by the REIT for a period of twelve months following the date on which Artis acquires the REIT's co-owner's 50% interest. Also pursuant to the MOU, the REIT has granted Artis an irrevocable right and option to purchase the REIT's 50% interest in 220 Portage Avenue (the "Call Option"). The Call Option may be exercised by Artis for a period of ninety days following the expiration of the Put Option. The REIT exercised its Put Option, and disposed of its interest in 220 Portage on April 30, 2013 for \$20.5 million.

On December 30, 2013, the REIT completed the sale of an approximately 106,000 square foot retail property located at 1919A 8th Avenue in Humboldt, Saskatchewan ("Humboldt Mall") for \$1.9 million.

August 2013 equity offering

On August 2, 2013, in connection with the acquisition of The Promontory, the REIT completed a public offering of 2,230,000 trust units, at a price of \$9.00 per trust unit, for gross proceeds of approximately \$20.1 million (the "August 2013 Offering"). The REIT also granted the underwriters an over-allotment option to purchase up to an additional 334,500 trust units on the same terms and conditions, exercisable at any time, in whole or in part, up to 30 days after the closing of the offering (the "August 2013 Over-Allotment Option"). On August 2, 2013, the underwriters exercised the August 2013 Over-Allotment Option and purchased 334,500 trust units for gross proceeds of \$3.0 million.

Concurrent with the closing of the August 2013 Offering, the REIT issued 425,532 trust units on a private placement basis to Huntingdon at a purchase price of \$9.40 per trust unit for gross proceeds of \$4.0 million.

After deducting issuance costs of \$1.5 million, net proceeds of \$25.6 million from the August 2013 Offering, private placement, and August 2013 Over-Allotment Option was used to partially fund the acquisition of The Promontory and to repay amounts drawn on the revolving credit facility.

BUSINESS OF THE REIT

Overview

The business of the REIT is to invest in a diversified portfolio of income-producing real property investments used for office, industrial or retail purposes in accordance with its investment policies (contained in the Declaration of Trust) and investment guidelines (established by the Trustees, as defined herein, in accordance with the Declaration of Trust). To the extent that funds are not invested by the REIT in real property investments from time to time, they will be invested in accordance with the Declaration of Trust. See "Declaration of Trust – Investment Guidelines".

In order to ensure the stability and sustainability of portfolio yields, the REIT seeks to diversify its investments among several asset classes and among many geographic regions within Canada, subject to the REIT's investment policies. See "Declaration of Trust – Investment Guidelines". The business segments of the REIT are described below.

Business Segments

Office Assets

The REIT's office investment properties include buildings and complexes providing office space for federal and provincial governments and various service companies.

Industrial Assets

The REIT's industrial investment properties include distribution facilities, warehousing, buildings used for light manufacturing and/or "flex space" facilities) of a size and configuration that will readily accommodate the diverse needs of a broad range of tenants.

Industrial tenants include companies that operate across Canada as well as regional manufacturing companies.

Retail Assets

The REIT's three retail investment properties include a small-box strip centre, an enclosed shopping centre, and a single tenanted retail property.

The tenancies at these properties include international and national retailers and smaller, independent, family-owned businesses.

Competitive Conditions for Real Property Investments

The REIT competes for suitable real property investments with other real estate investment trusts, corporations, pension funds and other institutional investors (both Canadian and foreign) which are presently seeking, or which may seek in the future, real property investments similar to those desired by the REIT. Many of these investors have greater financial resources than the REIT, or operate without the REIT's investment restrictions, or according to more flexible conditions. An increase in the availability of investment capital and an increase in demand for real property investments should increase competition for real property investments, thereby increasing purchase prices and reducing the yields from such investments. Conversely, a decline in the availability of investment capital should produce a decline in demand for real property investments which would lead to decreasing purchase prices and higher yields from such investments.

Environmental Risk Management

The REIT is exposed to potential liability in respect of environmental hazards or liability under various environmental laws and regulations. This risk is more particularly described in the "Risk Factors" section of this Annual Information Form. Management has developed Environmental Policies and Procedures and has implemented an Environmental Management Program, which includes an asbestos management plan for properties with asbestos-containing materials. The purpose of the Environmental Management Program is to protect the environment, implement sound environmental practices and minimize the REIT's risks and potential liabilities. The need to address these environmental risks requires certain expenditures, including those associated with the commissioning of environmental assessments upon the acquisition, financing and ongoing maintenance of the REIT's properties. The environmental assessments which the REIT has obtained to date with respect to its portfolio have not revealed any environmental liability that Management believes will have a material adverse effect on the REIT.

As an additional measure to help manage environmental exposure, the REIT enters into new tenant leases that generally specify that the tenant will conduct its business in accordance with environmental laws and be responsible for any liabilities arising out of infractions of such laws or out of contamination caused by the tenant. It is the REIT's practice to periodically inspect tenant premises that may be subject to environmental risk.

Much of the REIT's portfolio consists of single story or low-level buildings. The REIT has developed design standards to ensure high-quality processes are followed when developing and refurbishing these properties. Through quality construction and upgrading of its properties, the REIT expects to increase the efficiency of mechanical and electrical systems as well as building durability.

Personnel

As at December 31, 2013, the REIT does not have any employment agreements with members of senior management. Pursuant to the Management Agreement, the REIT's senior management will be employed by Huntingdon. The REIT will not pay any cash compensation to any individuals serving as the REIT's officers, directly or indirectly. Rather, those individuals will be compensated by Huntingdon. The REIT will only be obligated to pay a fixed amount to Huntingdon pursuant to the Management Agreement.

Property Portfolio

The following table summarizes certain aspects of the REIT's real estate assets as at December 31, 2013:

Portfolio as at December 31, 2013

Total number of properties	28
Total leasable area	1,828,574
Percentage leased	98.2%
Location (square feet as a % of total leasable area)	
Alberta	6.2%
Saskatchewan	4.6%
Manitoba	50.5%
Ontario	37.9%
Northwest Territories	0.8%
Total	100.0%
Asset Class (# of properties)	
Retail	3
Industrial	11
Office ⁽¹⁾	14
Total	28
Asset Class (% of leasable area)	
Retail	5.2%
Industrial	42.1%
Office	52.7%
Total	100.0%
Percentage of Net Operating Income	
Retail	9.2%
Industrial	33.0%
Office	57.8%
Total	100.0%

Notes:

(1) Includes 286 Broadway, Winnipeg, MB which is a parking lot that services 114 Garry Street, Winnipeg, MB which is an office building.

List of Properties

The following table outlines the properties held by the REIT as at December 31, 2013. The properties are more fully described in “Schedule B- Description of Properties Held by the REIT”.

Asset Class	Property Name	City, Province	Year Built / Renovated	Ownership	GLA (sq. ft.)	Occupancy
INDUSTRIAL						
1.	35 Martin Way	Brooks, AB	2005	100%	28,400	100.0%
2.	5404 36th Street SE	Calgary, AB	1980	100%	36,000	100.0%
3.	7001 96th Street	Grande Prairie, AB	1980	100%	33,280	100.0%
4.	891 – 895 Century Street	Winnipeg, MB	1961 / 1968	100%	51,841	100.0%
5.	110 Lowson Crescent	Winnipeg, MB	1996	100%	60,903	100.0%
6.	130 Lowson Crescent	Winnipeg, MB	1999	100%	25,672	100.0%
7.	119 – 130 Plymouth Street	Winnipeg, MB	1977 / 1999	100%	43,364	100.0%
8.	1271 Sargent Avenue	Winnipeg, MB	1981 / 1984	100%	40,893	100.0%
9.	1855 Sargent Avenue	Winnipeg, MB	1953 / 1998	100%	77,500	100.0%
10.	1935 Sargent Avenue ⁽¹⁾	Winnipeg, MB	1962 / 1997	100%	113,864	100.0%
11.	505 Industrial Drive	Milton, ON	1987 / 1991	100%	258,960	100.0%
TOTAL – INDUSTRIAL					770,677	100.0%
OFFICE						
12.	Saskatchewan Place	Regina, SK	1985	100%	84,243	82.0%
13.	280 Broadway Avenue ⁽²⁾	Winnipeg, MB	1957	100%	115,354	96.7%
14.	585 Century Street ⁽³⁾	Winnipeg, MB	1959	100%	9,680	100.0%
15.	220 Cree Crescent	Winnipeg, MB	1980	100%	18,000	100.0%
16.	1680 Ellice Avenue ⁽³⁾	Winnipeg, MB	1980	100%	29,843	89.8%
17.	1700 Ellice Avenue ⁽³⁾	Winnipeg, MB	1956 / 1959	100%	30,268	100.0%
18.	1030-1040 Empress Street	Winnipeg, MB	1956 / 1983	100%	33,478	100.0%
19.	114 Garry Street	Winnipeg, MB	1950 / 1995	100%	74,248	100.0%
20.	1336 – 1340 Sargent Avenue	Winnipeg, MB	1950 / 1995	100%	42,092	100.0%
21.	895 Waverley Street	Winnipeg, MB	1991	100%	33,842	100.0%
22.	1000 Waverley Street	Winnipeg, MB	1966 / 1998	100%	58,515	91.2%
23.	4211 Yonge Street	Toronto, ON	1982	100%	170,732	96.4%
24.	1189 Colonel Sam Drive	Oshawa, ON	2001	100%	103,179	100.0%
25.	The Promontory	Mississauga, ON	1987 / 1989	100%	159,752	100.0%
TOTAL – OFFICE					963,226	96.5%
RETAIL						
26.	125 – 185 First Street	Cochrane, AB	1998	100%	15,757	100.0%
27.	Flin Flon Wal-Mart	Flin Flon, MB	2002	100%	63,439	100.0%
28.	Airport Road Shopping Centre	Yellowknife, NWT	1982 / 2003 ⁽⁴⁾	100%	15,475	100.0%
TOTAL – RETAIL					94,671	100.0%
TOTAL PROPERTIES					1,828,574	98.2%

Notes:

- (1) Leasehold interest with ground lease expiring in 2036.
- (2) Includes a seven-storey office building at 280 Broadway Avenue, a three-storey multi-family residential building located at 70 Smith Street and two parking lots located at 286 Broadway Avenue and 68 Smith Street; excludes the residential tenants at 70 Smith Street.
- (3) 1680 Ellice Avenue, 1700 Ellice Avenue and 585 Century Street comprise the Century Business Park.
- (4) The Airport Road Shopping Centre consists of two buildings. 307 Old Airport Road was originally built in 1993 and subsequently renovated in 2003. 309 Old Airport Road was originally built in 1982 and subsequently renovated in 2001.

Largest Tenants

As at December 31, 2013, the 10 largest tenants in the REIT's portfolio of properties, based on the current monthly gross rent, were:

Tenants

Government of Canada	JSA Energy Analysts Inc.
MMM Group Limited	EMD Inc.
Northern Group Retail Ltd.	Leader Energy Services Ltd.
Aditya Birla Minacs Worldwide Inc.	Erinoakkids Centre for Treatment
Province of Manitoba	Saskatchewan Property Management

The tenants noted above are, in many cases, the parent entity of the actual tenant and are not necessarily the covenants under the related lease.

RISK FACTORS

Risk Factors Related to the Real Estate Industry

Real Property Ownership and Tenant Risks

By specializing in particular types of real estate, the REIT is exposed to adverse effects on those segments of the real estate market. In addition, 50.5% of the total gross leasable area ("GLA") is located in Manitoba. As a result, the REIT is impacted by factors specifically affecting the real estate markets in Manitoba and the Manitoba economy generally. These factors may differ from those affecting other regions of Canada. If conditions in Manitoba were to decline relative to conditions in other regions, this could more adversely impact the REIT's revenues and results of operations.

The value of real property and any improvements thereto depends on the credit and financial stability of tenants, and upon the vacancy rates of the properties. The REIT's adjusted funds from operations (the "AFFO") will be adversely affected if a significant number of tenants are unable to meet their obligations under their leases or if a significant amount of available space in the properties in which the REIT will have an interest become vacant and are not able to be leased on economically favourable lease terms.

Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to the REIT than the existing lease. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting the REIT's investment may be incurred. Furthermore, at any time, a tenant of any of the properties in which the REIT has an interest may seek the protection of bankruptcy, insolvency or similar laws that could result in the disclaimer and termination of such tenant's lease, any of which events could have an adverse effect on the REIT's financial condition and results of operations and decrease the amount of cash available for distribution to holders of the Units ("Unitholders"). The ability to rent un-leased space in the properties in which the REIT will have an interest will be affected by many factors, including general economic conditions, local real estate markets, changing demographics, supply and demand for leased premises, competition from other available premises and various other factors, many of which are beyond the REIT's control.

Fixed Costs

The failure to rent un-leased space on a timely basis or at all would likely have an adverse effect on the REIT's financial condition and results of operation and decrease the amount of cash available for distribution to Unitholders. Certain significant expenditures, including property taxes, ground rent, 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 REIT 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 sale or the landlord's

exercise of remedies. Costs may also be incurred in making improvements or repairs to property required by a new tenant and income may be lost as a result of any prolonged delay in attracting suitable tenants to the vacant space.

The timing and amount of capital expenditures by the REIT will indirectly affect the amount of cash available for distribution to Unitholders. Distributions may be reduced, or even eliminated, at times when the REIT deems it necessary to make significant capital or other expenditures.

Liquidity

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may limit the REIT's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the REIT were to be required to liquidate its real property investments quickly, there is a risk the proceeds realized by the REIT's from such sale might be significantly less than the aggregate carrying value of its properties which could have an adverse effect on the REIT's financial condition and results of operation and decrease the amount of cash available for distribution to Unitholders.

Competition

The real estate business is competitive. Numerous other developers, managers and owners of industrial, office and retail properties will compete with the REIT in seeking tenants. Some of the properties located in the same markets as the REIT's properties are newer and better located than the REIT's properties. Some property owners with properties located in the same markets as the REIT's properties may be better capitalized and may be stronger financially and hence better able to withstand an economic downturn. The existence of developers, managers and owners in such markets and competition for the REIT's tenants could have a negative effect on the REIT's ability to lease space in its properties in such markets and on the rents charged or concessions granted, which could have an adverse effect on the REIT's financial condition and results of operation and decrease the amount of cash available for distribution to Unitholders.

Competition for acquisitions of real properties can be intense and some competitors may have the ability or inclination to acquire properties at a higher price or on terms less favourable than those that the REIT may be prepared to accept. An increase in the availability of investment funds, an increase in interest in real property investments or a decrease in interest rates may tend to increase competition for real property investments, thereby increasing purchase prices and reducing the yield on them.

Current Economic Environment

Continued concerns about the uncertainty over whether the economy will be adversely affected by inflation, deflation or stagflation, and the systemic impact of increased unemployment, volatile energy costs, geopolitical issues, the availability and cost of credit, the Canadian mortgage market and a distressed commercial real estate market have contributed to increased market volatility and weakened business and consumer confidence. This difficult operating environment could adversely affect the REIT's ability to generate revenues, thereby reducing its operating income and earnings. It could also have an adverse impact on the ability of the REIT's tenants and operators to maintain occupancy rates in the REIT's properties, which could harm the REIT's financial condition. If these economic conditions continue, the REIT's tenants and operators may be unable to meet their rental payments and other obligations due to the REIT, which could have a material adverse effect on the REIT.

Risk Factors Related to the Business of the REIT

Acquisitions

The REIT's business plan includes growth through identifying suitable acquisition opportunities, pursuing such opportunities, consummating acquisitions and effectively operating and leasing such properties. If the REIT is unable to manage its growth effectively, it could adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution to Unitholders. There can be no assurance as to the pace of growth through property acquisitions or that the REIT will be able to acquire assets on an accretive basis, and as such there can be no assurance that distributions to Unitholders will be maintained in the future.

Acquisitions may be subject to unknown, unexpected or undisclosed liabilities which could have a material adverse impact on the operations and financial results of the REIT. Representations and warranties given by third parties to the REIT may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties.

Moreover, acquired properties may not meet expectations of operational or financial performance due to unexpected costs associated with developing an acquired property, as well as the general investment risks inherent in any real estate investment.

Access to Capital

The real estate industry is highly capital intensive. The REIT will require access to capital to maintain its properties, as well as to fund its growth strategy and significant capital expenditures from time to time. There can be no assurances that the REIT will otherwise have access to sufficient capital or access to capital on terms favourable to the REIT for future property acquisitions, financing or refinancing of properties, funding operating expenses or other purposes. Failure by the REIT to access required capital could adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

Financing Risks

There can be no assurance that the REIT will continue to generate sufficient cash flow from operations to meet required interest and principal payments on its outstanding debt. If the REIT is unable to meet interest or principal payments, it could be required to seek renegotiation of such payments or obtain additional equity, debt or other financing. The failure of the REIT to make or renegotiate interest or principal payments or obtain additional equity, debt or other financing could adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution to Unitholders.

The REIT will be subject to the risks associated with debt financing, including the risk that the mortgages and banking facilities secured by the REIT'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, which may reduce AFFO. In order to minimize this risk, the REIT will attempt to diversify the term structure of its debt so that in no one year a disproportionate amount of its debt matures. To the extent the REIT incurs variable rate indebtedness this will result in fluctuations in the REIT's cost of borrowing as interest rates change. To the extent that interest rates rise, the REIT's operating results and financial condition could be adversely affected and decrease the amount of cash available for distribution.

The REIT's credit facilities are also expected to contain covenants that require it to maintain certain financial ratios on a consolidated basis. If the REIT does not maintain such ratios, its ability to make distributions may be limited.

Environmental Matters

Environmental legislation and regulations have become increasingly important in recent years. As an owner of interests in real property in Canada, the REIT will be subject to various Canadian federal, provincial and municipal laws relating to environmental matters. Such laws provide that the REIT could be, or become, liable for environmental harm, damage or costs, including with respect to the release of hazardous, toxic or other regulated substances into the environment, and the removal or other remediation of hazardous, toxic or other regulated substances that may be present at or under its properties. Further, liability may be incurred by the REIT with respect to the release of such substances from the REIT's properties to properties owned by third parties, including properties adjacent to the REIT's properties. The discovery of any such pollution on the sites and/or in the buildings, particularly in connection with the lease or sale of properties or borrowing using the real estate as security, could trigger claims for rent reductions or termination of leases for cause, for damages and other breach of warranty claims against us. The remediation of any pollution and the related additional measures the REIT would have to undertake could have a materially adverse affect on the REIT and could involve considerable additional costs that the REIT may have to bear. The REIT may also be exposed to the risk that recourse against the polluter or the previous owners of the properties might not be possible, for example, because they cannot be identified, no longer exist or have become insolvent. Moreover, the existence or even the mere suspicion of the existence of ground contamination, hazardous materials or other residual pollution could materially adversely affect the REIT's ability to

sell such property, realize the full value of such property or borrow using such property as collateral security, and could potentially result in claims against the REIT by public or private parties by way of civil action.

The REIT's operating policy is to obtain a Phase I environmental site assessment ("ESA"), conducted by an independent and experienced environmental consultant, prior to acquiring a property and to have Phase II environmental site assessment work completed where recommended in a Phase I environmental site assessment. Although such environmental site assessments would provide the REIT with some level of assurance about the condition of property, the REIT may become subject to liability for undetected contamination or other environmental conditions at its properties against which the REIT cannot insure, or against which the REIT may elect not to insure, which could negatively impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

Pursuant to the Phase I ESA Reports that were completed in connection with the IPO, certain management plans were recommended for each of the Initial Properties and Phase II ESAs were recommended for 11 of the initial properties that were acquired in the IPO. For three properties, the Phase II ESAs and/or the environmental reports identified the need to develop a remediation action plan ("RAP") and/or a risk management plan. The Phase II ESA's for three of the properties identified the presence of chlorinated solvents, free-phase products and/or elevated concentrations of petroleum hydrocarbons ("PHC") and/or benzene, toluene, ethylbenzene and xylene ("BTEX") and recommended that further work and analysis be undertaken. As a result of this additional analysis, the detailed screening level evaluations of human health and ecological risks related to chemical concentrations in soil and/or groundwater identified certain potential unacceptable health and ecological risks under existing conditions. However, the independent environmental consultant concluded that, provided the measures identified in the RAP's, the recommended risk management plans and in the environmental reports are put in place, the impacts do not pose undue ecological or human health risks and that there are no material concerns to off-site water bodies or off-site residential properties. The independent environmental consultant has developed such risk management plans, which involve conducting indoor air quality testing, implementing suitable measures to improve air quality and regular indoor air quality and groundwater monitoring at the properties, which Huntingdon has also implemented. Removal of free-phase products from the groundwater and the implementation of a monitoring program were also recommended as were the remediation, installation of extraction wells, and continued groundwater quality monitoring, which Huntingdon has also implemented. As a result, it is possible that the REIT may be required to conduct further remediation activities (including soil and groundwater remediation) going forward. In addition, there is no assurance that the chemicals, contaminants, substances and/or products identified above have not migrated off-site, including to neighbouring properties and off-site water bodies. Although Huntingdon is required to indemnify the REIT for any such remediation costs as well as for any claims, damages or losses suffered by the REIT relating to certain environmental matters, there is no assurance that Huntingdon will be able to satisfy its obligation at the relevant time. In addition, the indemnity from Huntingdon will only survive for a period of three years following closing of the IPO. As a result, the existence of any material environmental issues could have a material adverse effect on the business, financial condition or results of the REIT.

Although the REIT is not aware of any material non-compliance with environmental laws at any of the properties, and is not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of its properties, there is no assurance that this will continue to be the case.

The REIT has implemented policies and procedures to assess, manage and monitor environmental conditions at its properties to minimize exposure to liability including the completion of asbestos surveys. The REIT will not be covered by environmental liability insurance, since insurance premium costs associated with insuring against environmental risks (including liability for pollution) or other hazards resulting from the nature of the REIT's business are considered by management to be disproportionate to the assessed risk. The lack of environmental insurance coverage could have an adverse impact on the REIT's future cash flows, earnings, results of operations and financial condition.

The REIT will make the necessary capital and operating expenditures to comply with environmental laws and address any material environmental issues and such costs relating to environmental matters may have a material adverse effect on the REIT's business, financial condition or results of operation and decrease the amount of cash available for distribution. However, environmental laws can change and the REIT may become subject to even more stringent environmental laws in the future, with increased enforcement of laws by the government. Compliance with more stringent environmental laws, which may be more rigorously enforced, the identification of currently unknown

environmental issues or an increase in the costs required to address a currently known condition may have an adverse effect on the REIT's financial condition and results of operation and decrease the amount of cash available for distribution to Unitholders.

There are certain risks associated with having single tenant properties

908,479 square feet of GLA of the properties, or 49.7%, is occupied by single tenants. In the event that the above-listed tenants were to terminate their tenancies or become insolvent, the REIT's financial results would be materially adversely affected. Until such a time that the REIT will be in a position to acquire more assets and further diversify its tenant base, the REIT will take certain steps to mitigate any credit risk by closely monitoring its tenants' compliance with the terms of their respective leases and to report any issues as soon as they are identified.

Potential Conflicts of Interest

The Trustees will, from time to time, in their individual capacities, deal with parties with whom the REIT may be dealing, or may be seeking investments similar to those desired by the REIT. The interest of these persons could conflict with those of the REIT. The Declaration of Trust contains conflict of interest provisions requiring the Trustees to disclose their interests in certain contracts and transactions and to refrain from voting on those matters.

Conflicts may exist due to the fact that certain Trustees of the REIT will be affiliated with Huntingdon. The REIT and Huntingdon will enter into certain arrangements, including those relating to the Management Agreement and the right of first offer agreement, dated December 28, 2012, (the "ROFO Agreement"). Huntingdon and its affiliates are engaged in a wide variety of real estate activities. The REIT may become involved in transactions that conflict with the interests of the foregoing.

General Insured and Uninsured Risks

The business carried on by the REIT entails an inherent risk of liability. The REIT expects that from time to time it may be subject to lawsuits as a result of the nature of its business. The REIT will carry comprehensive general liability, property, boiler and machinery, fire, flood, extended coverage, rental loss insurance and other similar coverages with customary policy specifications, limits and deductibles. The REIT will have insurance for earthquake risks, subject to certain policy limits and deductibles, and will continue to carry such insurance if it is economical to do so. There can be no assurance, however, that claims in excess of the insurance coverage or claims not covered by the insurance coverage will not arise or that the liability coverage will continue to be available on acceptable terms. A successful claim against the REIT not covered by, or in excess of, the REIT's insurance could have a material adverse effect on the REIT's business, operating results and financial condition. Claims against the REIT, regardless of their merit or eventual outcome, also may have a material adverse effect on their ability to attract tenants or expand their businesses, and will require management to devote time to matters unrelated to the operation of the business.

Land Leases

One of the properties is located on leased land and the land leases may be subject to periodic rate resets which may fluctuate and may result in significant rental rate adjustments which would adversely impact the REIT's financial condition and results of operation and decrease the amount of cash available for distribution. Land leases may also be terminated or not renewed upon expiry.

Reliance on Key Personnel

The management and governance of the REIT depends on the services of certain key personnel, including officers of Huntingdon and the Trustees. The loss of the services of any key personnel could have an adverse effect on the REIT and adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

Limit on Activities

In order to maintain its status as a “mutual fund trust” under the Income Tax Act (Canada), the REIT cannot carry on most active business activities and is limited in the types of investments it may make. The Declaration of Trust contains restrictions to this effect.

Occupancy by Tenants

Although certain, but not all, leases contain a provision requiring tenants to maintain continuous occupancy of leased premises, there can be no assurance that such tenants will continue to occupy such premises. Certain tenants have a right to terminate their leases upon payment of a penalty but others are not required to pay any penalty associated with an early termination. There can be no assurance that tenants will continue their activities and continue occupancy of the premises. Any cessation of occupancy by tenants may have an adverse effect on the REIT and could adversely impact the REIT’s financial condition and results of operations and decrease the amount of cash available for distribution.

Lease Renewals and Rental Increases

Expiries of leases for the REIT’s properties, including those of significant tenants, will occur from time to time over the short and long-term. No assurance can be provided that the REIT will be able to renew any or all of the leases upon their expiration or that rental rate increases will occur or be achieved upon any such renewals. The failure to renew leases or achieve rental rate increases may adversely impact the REIT’s financial condition and results of operations and decrease the amount of cash available for distribution.

The following table outlines the expiries of tenant leases, by square footage, with respect to the REIT’s property portfolio as at December 31, 2013:

	Lease Expiries by Asset Class							
	Month-to-month	2014	2015	2016	2017	2018	2019 and beyond	Total
Industrial								
Sq. ft. (000s)	-	138	-	47	90	36	460	771
Sq. ft. (%)	-	17.9%	-	6.1%	11.7%	4.7%	59.6%	100.0%
Office								
Sq. ft. (000s)	92	68	151	181	45	182	210	929
Sq. ft. (%)	9.9%	7.3%	16.3%	19.5%	4.8%	19.6%	22.6%	100.0%
Retail								
Sq. ft. (000s)	-	5	-	23	3	1	63	95
Sq. ft. (%)	-	5.3%	-	24.2%	3.2%	1.1%	66.3%	100.0%
Total Sq.ft. (000s)	92	211	151	251	138	219	733	1,795

Huntingdon Indemnity and Prior Commercial Operations

The indirect acquisition of the properties by the REIT includes the acquisition by the REIT from Huntingdon of all of the outstanding Class A LP Units of FAM LP (“Class A LP Units”). Pursuant to the acquisition agreement dated December 28, 2012 between the REIT, FAM LP and Huntingdon, (the “Acquisition Agreement”), Huntingdon will make certain representations and warranties to the REIT with respect to FAM LP and the Initial Properties. Huntingdon will also provide an indemnity to the REIT under the Acquisition Agreement which will provide, subject to certain conditions and thresholds, that Huntingdon will indemnify the REIT for breaches of such representations and warranties. There can be no assurance that the REIT will be fully protected in the event of a breach of such representations and warranties or that Huntingdon will be in a position to indemnify the REIT if any such breach occurs. The REIT may not be able to successfully enforce the indemnity contained in the Acquisition Agreement against Huntingdon or such indemnity may not be sufficient to fully indemnify the REIT from third party claims.

External Management Arrangements

The REIT will rely on Huntingdon to act as asset and property manager. Consequently, the REIT's ability to achieve its investment objectives depends in large part on Huntingdon. This means that the REIT's investments are dependent upon Huntingdon's business contacts, its ability to successfully hire, train, supervise and manage its personnel and its ability to maintain its operating systems. If the REIT were to lose the services provided by Huntingdon or its key personnel, the REIT's investments and growth prospects may significantly decline. The REIT may be unable to duplicate the quality and depth of management available to it by becoming a self-managed company or by hiring another asset manager. Any prospective investors should not invest in the REIT unless they are prepared to rely on the REIT's Board of Trustees (the "Board of Trustees" of the "Board"), the REIT's executive officers and Huntingdon.

Although the Management Agreement provides that Huntingdon will automatically be re-engaged at the expiration of each term (subject to certain termination provisions), Huntingdon has the right, at any time, but upon 180 days' notice, to terminate the Management Agreement for any reason. The Management Agreement may also be terminated in other circumstances, such as upon the occurrence of an event of default within the meaning of such agreement. Accordingly, there can be no assurance that Huntingdon will continue to be the REIT's manager. If Huntingdon should cease for whatever reason to be the REIT's manager, the cost of obtaining substitute services may be greater than the fees the REIT will pay Huntingdon under the Management Agreement, and this may materially adversely affect the REIT's ability to meet its objectives and execute its strategy which could materially adversely affect the REIT's cash flows, operating results and financial condition.

Risk Factors Related to the Units and Warrants

Cash Distributions are Not Guaranteed

The REIT's distribution policy is established in the Declaration of Trust and may only be changed with the approval of a majority of Unitholders. However, the Board of Trustees may reduce or suspend cash distributions indefinitely, which could have a material adverse effect on the market price of the Units and Warrants.

There can be no assurance regarding the amount of income to be generated by the REIT's properties. The ability of the REIT to make cash distributions, and the actual amount distributed, will be entirely dependent on the operations and assets of the REIT, and will be subject to various factors including financial performance, obligations under applicable credit facilities, fluctuations in working capital, the sustainability of income derived from the tenant profile of the REIT's properties and capital expenditure requirements. Distributions may be increased, reduced or suspended entirely depending on the REIT's operations and the performance of the REIT's assets. The market value of Units and Warrants will deteriorate if the REIT is unable to meet its distribution targets in the future, and that deterioration may be significant. In addition, the composition of cash distributions for tax purposes may change over time and may affect the after-tax return for investors. See "Certain Canadian Federal Income Tax Considerations".

Taxation of Mutual Fund Trusts

Management of the REIT believes the REIT currently qualifies as a mutual fund trust for income tax purposes. If the REIT were not to so qualify, the consequences could be material and adverse.

REIT Exception

The REIT will not be considered a SIFT trust, and therefore will not be subject to tax under the SIFT Legislation, for a taxation year if it satisfies the exclusion from the definition of SIFT trust in the Tax Act for a trust qualifying as a "real estate investment trust" as defined in subsection 122.1(1) of the Tax Act (the "REIT Exception") for that year. The REIT Exception is comprised of a number of technical tests and the determination as to whether the REIT qualifies for the REIT Exception in any particular taxation year can only be made with certainty at the end of that taxation year. Management of the REIT believes that the REIT qualifies for the REIT Exception, as currently enacted, and management expects that the REIT will qualify for the REIT Exception throughout 2014 and in each subsequent taxation year. However, no assurances can be given that future investments or activities undertaken by the REIT will not result in the REIT failing to qualify for the REIT Exception in 2014 or any subsequent taxation year.

The REIT also expects that each direct or indirect subsidiary of the REIT that might also qualify as a SIFT trust or SIFT partnership will qualify as an “excluded subsidiary entity”, as defined in the Tax Act, (and, therefore, not be subject to tax under the SIFT Legislation) throughout 201 and subsequent taxation years.

The likely effect of the application of the SIFT Legislation to the REIT or its subsidiaries on the market for Units and on the REIT’s ability to finance future acquisitions through the issue of Units or other securities is unclear. If tax under the SIFT Legislation applies to the REIT or its Subsidiaries, it may adversely affect the marketability of the Units, the amount of cash available for distributions and the after-tax return to investors.

Change of Tax Laws

There can be no assurance that Canadian tax laws, the judicial interpretation thereof, the terms of any income tax treaty applicable to the REIT or its affiliates or the administrative and assessing practices and policies of the Canada Revenue Agency or the Minister of Finance (Canada) will not change in a manner that adversely affects the REIT, its affiliates or Unitholders. Any such change could affect the REIT’s eligibility for the REIT Exception, increase the amount of tax payable by the REIT or its affiliates, or otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to Unitholders in respect of such distributions.

Restrictions on Redemptions

The entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the following limitations: (i) the total amount payable by the REIT in respect of such Units and all other Units tendered for redemption in the same calendar month must not exceed \$50,000 (provided that such limitation may be waived at the discretion of the Trustees); (ii) at the time such Units are tendered for redemption, the outstanding Units must be listed for trading on a stock exchange or traded or quoted on another market which the Trustees consider, in their sole discretion, provides fair market value prices for the Units; (iii) the trading of Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the Redemption Date for more than five trading days during the 10-day trading period commencing immediately after the Redemption Date; and (iv) the redemption of the Units must not result in the delisting of the Units on the principal stock exchange on which the Units are listed.

Potential Volatility of Unit Prices

One of the factors that may influence the market price of the Units is the annual yield on the Units. An increase in market interest rates may lead purchasers of Units to demand a higher annual yield, which accordingly could adversely affect the market price of the Units. In addition, the market price of the Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors beyond the control of the REIT.

Nature of Investment

A holder of a Unit of the REIT does not hold a share of a body corporate. As holders of Units of the REIT, the Unitholders will not have statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions. The rights of Unitholders are based primarily on the Declaration of Trust. There is no statute governing the affairs of the REIT equivalent to the CBCA which sets out the rights and entitlements of shareholders of corporations in various circumstances. As well, the REIT may not be a recognized entity under certain existing insolvency legislation such as the *Bankruptcy and Insolvency Act* (Canada) and the *Companies Creditors’ Arrangement Act* (Canada) and thus the treatment of Unitholders upon an insolvency is uncertain.

Availability of Cash Flow

AFFO may exceed actual cash available to the REIT from time to time because of items such as principal repayments, and tenant allowances, leasing costs and capital expenditures in excess of stipulated reserves indentified by the REIT in its calculation of AFFO and redemptions of Units, if any. The REIT may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items.

Dilution

The number of Units the REIT is authorized to issue is unlimited. The REIT may, in its sole discretion, issue additional Units from time to time, and the interests of the holders of Units may be diluted thereby.

Public Market Fluctuations

The REIT cannot predict at what price the Units or the Warrants will trade and there can be no assurance that an active trading market will develop after the IPO or, if developed, that such a market will be sustained at the price level of the IPO or follow-on equity offerings. A publicly traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets.

Exercise of Warrants Following Certain Transactions

Following the occurrence of certain transactions, each whole Warrant will cease to be exercisable for Units and will instead become exercisable for the securities, cash or property receivable by a holder of Units in the kind and amount of securities, cash or property into which the whole Warrant was exercisable immediately prior to the transaction. This change could substantially reduce or eliminate the value of the Warrants in the future.

Indirect Ownership of Units by Huntingdon

As of the date of this Annual Information Form, Huntingdon holds an approximate 30% economic interest in the REIT through the ownership of trust units and Class B LP Units. Pursuant to the Exchange Agreement, each Class B LP Unit will be exchangeable at the option of the holder for one Unit of the REIT and will be attached to a Special Voting Unit of the REIT, providing for voting rights in the REIT. Furthermore, pursuant to the Declaration of Trust, Huntingdon is entitled to nominate a certain number of Trustees based on the percentage of Units held by it.

Thus, Huntingdon will be in a position to exercise a certain influence with respect to the affairs of the REIT. If Huntingdon reduces its ownership interest in the REIT, the market price of the Units could fall. The perception among the public that these sales may occur could also produce such effect.

MARKET FOR UNITS AND UNIT PRICE

As with any other publicly traded security, the value of the Units depend on various market conditions that will change from time to time.

The market value of the Units are influenced by investors' perceptions of the REIT's growth potential and current and potential earnings and cash distributions. Consequently, Units may trade at prices that are greater or less than their net asset value. Factors that may affect the market price of Units include, but are not limited to, the following:

- general economic conditions;
- the market demand for the Units;
- general reputation of the REIT;
- the underlying net asset value of the REIT's portfolio;
- investor confidence in equity investments generally;
- changes in tax laws; and
- the REIT's financial performance.

Market for Units

Trading Price and Volume

The Units and Warrants are listed and posted for trading on the TSX. The trading symbol for the Units is "F.UN" and the trading symbol for the Warrants is "F.WT". The following chart describes the monthly trading range and volume of the Units and Warrants on a monthly basis during 2013:

Units

Month	High	Low	Close	Volume
January 2013	\$ 10.05	\$ 9.33	\$ 9.99	611,436
February 2013	\$ 10.09	\$ 9.70	\$ 10.05	345,478
March 2013	\$ 10.39	\$ 9.75	\$ 9.95	275,219
April 2013	\$ 10.25	\$ 9.76	\$ 9.90	396,600
May 2013	\$ 10.15	\$ 9.65	\$ 9.89	378,715
June 2013	\$ 9.98	\$ 9.37	\$ 9.50	396,010
July 2013	\$ 9.75	\$ 8.57	\$ 8.70	542,810
August 2013	\$ 8.80	\$ 8.34	\$ 8.40	476,595
September 2013	\$ 8.88	\$ 8.46	\$ 8.70	296,619
October 2013	\$ 8.86	\$ 8.50	\$ 8.62	194,308
November 2013	\$ 8.85	\$ 8.40	\$ 8.64	175,453
December 2013	\$ 8.77	\$ 8.20	\$ 8.69	266,544

Warrants

Month	High	Low	Close	Volume
January 2013	\$0.45	\$0.22	\$0.33	81,821
February 2013	\$0.40	\$0.26	\$0.40	19,260
March 2013	\$0.40	\$0.28	\$0.30	33,299
April 2013	\$0.30	\$0.28	\$0.28	17,260
May 2013	\$0.35	\$0.15	\$0.15	271,348
June 2013	\$0.20	\$0.15	\$0.18	111,696
July 2013	\$0.19	\$0.10	\$0.11	21,095
August 2013	\$0.34	\$0.10	\$0.12	18,700
September 2013	\$0.10	\$0.08	\$0.10	87,513
October 2013	\$0.08	\$0.05	\$0.05	13,219
November 2013	\$0.06	\$0.05	\$0.05	11,580
December 2013	\$0.05	\$0.04	\$0.04	24,444

Securities Subject to Contractual Restriction on Transfer

The following table sets forth certain information as at December 31, 2013 with respect to certain Class B LP Units of FAM LP that are subject to contractual restrictions on transfer.

<u>Class</u>	<u>Number of Securities Subject to Contractual Restrictions on Transfer</u>	<u>% of Class</u>
Class B LP Units	2,513,700	84%

Notes:

- (1) Pursuant to the Acquisition Agreement, Huntingdon has agreed to retain 2,513,700 Class B LP Units for a minimum of six months following closing of the IPO and thereafter to retain 1,678,740 Class B LP Units (which represent an approximate 20% ownership interest in the REIT calculated as of closing of the IPO) for a minimum of 24 months following closing of the IPO, subject to dilution and customary exceptions including transfers of Units in connection with the exercise or exchange of deferred units issued to the Chief Executive Officer of the REIT. Beginning on the date that is 180 days after closing of the IPO, Class B LP Units held by Huntingdon may be pledged as security for indebtedness of up to 75% of the then market value of the Units into which such Class B LP Units are exercisable, provided that any pledgee, other than a Canadian chartered bank, agrees to abide by the terms of the agreement governing the maintenance of the retained interest.

DISTRIBUTION POLICY

The REIT's Board of Trustees has full discretion with respect to the timing and extent of distributions, including the adoption, amendment or revocation of any distribution policy. In determining the amount of monthly cash distributions paid to Unitholders, the Board of Trustees applies discretionary judgment to forward-looking cash flow information, including forecasts and budgets. As net income calculated in accordance with IFRS recognizes certain revenues and expenses at time intervals that do not match the receipt of or the payment of cash, the Board of Trustees considers AFFO when establishing cash distributions to Unitholders, as well as other factors. The excess of AFFO over cash distributions represents a measure of operating cash flow retained in the business.

It is the REIT's intention to make distributions to Unitholders, including partnership distributions to holders of Class B LP Units initially equal to, on an annual basis, approximately 95% of AFFO. Management of the REIT (as defined herein) believes that the 95% payout ratio initially set by the REIT should allow the REIT to meet its internal funding needs, while being able to support stable growth in cash distributions. However, subject to compliance with the Declaration of Trust, the actual payout ratio will be determined by the Trustees in their discretion. Pursuant to the Declaration of Trust, the Trustees have full discretion respecting the timing and amounts of distributions including the adoption, amendment or revocation of any distribution policy. It is the REIT's current intention to make distributions to Unitholders at least equal to the amount of net income and net realized capital gains of the REIT as is necessary to ensure that the REIT will not be liable for ordinary income taxes on such income. Any increase or reduction in the percentage of AFFO to be distributed to Unitholders will result in a corresponding increase or decrease in distributions on Class B LP Units.

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

On March 21, 2013, the REIT adopted a Distribution Reinvestment Plan (the "DRIP"). Eligible Unitholders, which include holders of Class B LP Units, that elect to participate in the DRIP will have all cash distributions of the REIT automatically reinvested in additional Units at a price per Unit calculated by reference to the weighted average of the trading price for the Units on the TSX for the five trading days immediately preceding the relevant Distribution Date. Unitholders who so elect will receive a further distribution of Units equal to 3% of each distribution that was reinvested by them. The DRIP came into effect with the distribution of \$0.0625 per Unit that was payable on May 15, 2013 to Unitholders of record on April 30, 2013.

During the twelve months ended December 31, 2013, the REIT declared monthly distributions of \$0.0625 per unit, with the exception of January 2013. The REIT announced a cash distribution of \$0.0707 for the month of January

2013 to include distributions related to the four day stub-period from December 28, 2012 to December 31, 2012. The distributions were paid on or about the 15th day of the month following declaration.

CAPITAL STRUCTURE

The REIT is authorized to issue an unlimited number of Units and an unlimited number of Special Voting Units. Issued and outstanding Units and Special Voting Units may be subdivided or consolidated from time to time by the Trustees without notice to or the approval of the Unitholders. As at December 31, 2013 there were 8,974,482 Units and 2,977,132 Special Voting Units outstanding

Units

No Unit will have any preference or priority over another. Each Unit will represent a Unitholder's proportionate undivided beneficial ownership interest in the REIT and will confer the right to one vote at any meeting of Unitholders and to participate pro rata in any distributions by the REIT, whether of net income, net realized capital gains or other amounts and, in the event of termination or winding-up of the REIT, in the net assets of the REIT remaining after satisfaction of all liabilities. Units will be fully paid and non-assessable when issued and are transferable. The Units are redeemable at the holder's option and, except as set out in "Retained Interest", the Units have no other conversion, retraction, redemption or pre-emptive rights. Fractional Units may be issued as a result of an act of the Trustees, but fractional Units will not entitle the holders thereof to vote, except to the extent that such fractional Units may represent in the aggregate one or more whole Units.

Special Voting Units

Special Voting Units have no economic entitlement in the REIT but entitle the holder to one vote per Special Voting Unit at any meeting of the Unitholders of the REIT. Special Voting Units may only be issued in connection with or in relation to Class B LP Units for the purpose of providing voting rights with respect to the REIT to the holders of such securities. Notwithstanding the foregoing, the REIT was permitted to issue Special Voting Units to Huntingdon pursuant to the Acquisition Agreement absent a contemporaneous issuance of Class B LP Units to Huntingdon. Special Voting Units will be issued in conjunction with the Class B LP Units to which they relate, and will be evidenced only by the certificates representing such Class B LP Units. Special Voting Units will not be transferable separately from the Class B LP Units to which they are attached and will be automatically transferred upon the transfer of such Class B LP Units. Upon the exchange or surrender of a Class B LP Unit for a Unit, the Special Voting Unit attached to such Class B LP Unit will automatically be redeemed and cancelled for no consideration without any further action of the Trustees, and the former holder of such Special Voting Unit will cease to have any rights with respect thereto.

Preferred Units

Subject to the Board of Trustees executing an amendment to the Declaration of Trust providing for their creation, preferred units of the REIT (the "Preferred Units") may from time to time be created and issued in one or more classes (each of which may be comprised of unlimited series), and the Board of Trustees may fix from time to time before such issue the number of Preferred Units which is to comprise each class and series and the designation, rights, privileges, restrictions and conditions attaching to each class and series of Preferred Units including, without limiting the generality of the foregoing, any voting rights, the rate or amount of distributions (which may be cumulative or non-cumulative and variable or fixed) or the method of calculating distributions, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion, if any, any rights on the liquidation, dissolution or winding-up of the REIT, and any sinking fund or other provisions.

The Preferred Units of each class and series shall, with respect to the payment of distributions (other than distributions paid solely through the distribution of additional Units) and the distribution of assets of the REIT or return of capital in the event of liquidation, dissolution or winding-up of the REIT, whether voluntary or involuntary, or any other return of capital or distribution of assets of the REIT among its Unitholders for the purpose of winding-up its affairs, be entitled to preference over the Units ranking by their terms junior to the Preferred Units. The Preferred Units of any series may also be given such other preferences, not inconsistent with the Declaration of

Trust, over the Units ranking by their terms junior to the Preferred Units. If any cumulative distributions or amounts payable on the return of capital in respect of a series of Preferred Units are not paid in full, all classes and series of Preferred Units of equal ranking shall participate ratably in respect of accumulated distributions and return of capital, based on the accumulated distributions and return of capital of a class and series of Preferred Units as a proportion of the accumulated distributions and return of capital of all classes and series of Preferred Units of equal ranking.

The REIT has no present intention of issuing Preferred Units, but wishes to have the flexibility to do so in the future as a means of seeking an alternate source of equity financing. The REIT will not create or issue Preferred Units for anti-takeover purposes.

Rights of Unitholders

The Units are not “deposits” within the meaning of the Canada Deposit Insurance Corporation Act (Canada) and are not insured under the provisions of such Act or any other legislation. The Units are not shares in the REIT and, although the protections, rights and remedies set out in the Declaration of Trust are similar to those provided under the Canada Business Corporations Act, Unitholders do not have statutory rights of shareholders of a corporation including, for example, “dissent rights” in respect of certain corporate transactions and fundamental changes, the right to apply to a court to order the liquidation or dissolution of the REIT, or the right to bring “oppression” or “derivative” actions. Furthermore, the REIT is not a trust company and accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

THE WARRANT INDENTURE

As at December 31, 2013, 1,598,550 whole Warrants are issued and outstanding. 1,470,000 whole Warrants were issued on closing of the IPO pursuant to an indenture (the “Warrant Indenture”) dated December 28, 2012 between the REIT and the Warrant Agent. An additional 128,550 whole Warrants were issued in connection with the exercise of the Over-Allotment Option pursuant to a first supplemental indenture dated January 29, 2013 between the REIT and the Warrant Agent.

The REIT has appointed the principal transfer office of the Warrant Agent in Toronto, Ontario and Vancouver, British Columbia as the location at which Warrants may be surrendered for exercise or transfer. The following summary of certain provisions of the Warrant Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture which, following the closing of the IPO, will be available on SEDAR at www.sedar.com.

Each whole Warrant will entitle the holder to purchase one Warrant Unit at a price of \$10.50. The exercise price and the number of Warrant Units issuable upon exercise are both subject to adjustment in certain circumstances as more fully described below. The whole Warrants will be exercisable at any time following the closing of the IPO and prior to 5:00 p.m. (Toronto time) on December 28, 2015, after which time the Warrants will expire and become null and void. The Warrant Indenture will provide, that, subject to regulatory approval, the REIT may issue any number of additional trust unit purchase warrants, including of the same series and on the same terms as the Warrants (including exercise price and expiry date).

The Warrants may not be exercised in the United States or to or for the account or benefit of a U.S. person, as such term is defined in Regulation S under the U.S. Securities Act.

The exercise price for a whole Warrant is payable in Canadian dollars.

The Warrant Indenture provides for adjustment in the number of Warrant Units issuable upon the exercise of the whole Warrants and/or the exercise price per Warrant Unit upon the occurrence of certain events, including (without duplication):

- (i) the issuance of Units or securities exchangeable for or convertible into Units to all or substantially all of the holders of the Units as a unit distribution or other distribution (other than a “distribution paid in the ordinary course” (as defined in the Warrant Indenture), or a distribution of Units upon the exercise of the whole Warrants or pursuant

to the exercise of stock options (or similar incentive or compensation rights granted under an equity-linked incentive or unit compensation plans));

- (ii) the subdivision, redivision or change of the Units into a greater number of Units;
- (iii) the reduction, combination or consolidation of the Units into a lesser number of Units;
- (iv) the issuance to all or substantially all of the Unitholders of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Units, or securities exchangeable for or convertible into Units, at a price per Unit to the holders (or at an exchange or conversion price per Unit) of less than 95% of the “current market price”, as defined in the Warrant Indenture, for the Units on such record date; and
- (v) the issuance or distribution to all or substantially all of the holders of the Units of units of any class other than the Units, rights, options or warrants to acquire Units or securities exchangeable or convertible into Units, at a price per Unit to the holders (or at an exchange or conversion price per Unit) of less than 95% of the “current market price”, as defined in the Warrant Indenture, or other assets of the REIT, or evidences of indebtedness or cash, securities or any property or other assets (other than a “dividend paid in the ordinary course” (as defined in the Warrant Indenture)).

The Warrant Indenture also provides for adjustment in the class and/or number of securities issuable upon the exercise of the whole Warrants and/or exercise price per security in the event of the following additional events: (1) reclassifications of the Units; (2) consolidations, amalgamations, plans of arrangement or mergers of the REIT with or into another entity (other than consolidations, amalgamations, plans of arrangement or mergers which do not result in any reclassification of the Units or a change of the Units into other units); or (3) the transfer (other than to one of the REIT’s subsidiaries) of the undertaking or assets of the REIT as an entirety or substantially as an entirety to another corporation or other entity. In such event, any holder of Warrants who exercises the right to purchase Warrant Units pursuant to whole Warrants then held after the effective date of any of the foregoing will be entitled to receive, and will accept for the same aggregate consideration in lieu of the number of Warrant Units to which such holder was previously entitled, the aggregate number of units, other securities or other property which such holder would have been entitled to receive as a result of such event if, on the effective date thereof, the holder had been the holder of the number of Units to which such holder was previously entitled to purchase.

The Warrant Indenture defines “current market price” of the Units, in respect of any date as the price of the Units equal to the weighted average price per Unit on the Toronto Stock Exchange (the “TSX”), or if the Units are not listed on the TSX, on any stock exchange on which the Units are listed as the trustees may select for this purpose, or if the Units are not listed on any stock exchange, in the over-the-counter market for the period of 20 consecutive trading days ending on (and including) the fifth trading day before that date; and for the purpose of this definition, the weighted average price shall be determined by dividing the aggregate sale price of all Units sold during such period of 20 consecutive trading days on such exchange or market, as the case may be, by the total number of Units so sold.

The Warrant Indenture defines “distribution paid in the ordinary course” as regularly scheduled distributions declared payable by the REIT (payable in cash, units of the REIT, rights, options or warrants to purchase any units, property or other assets of the REIT (other than those that would result in an adjustment described above) or property or other assets of the REIT) in amounts determined by the Board of Trustees in accordance with past practices, having regard to, among other things, the REIT’s profitability, the amount of distributions as a percentage of the REIT’s net operating income, funds from operations or adjusted funds from operations, competitors’ dividend or distribution policies and practices and general market and economic conditions. For clarity, the amount of a distribution will not be determinative of whether a distribution is a “distribution paid in the ordinary course”.

No adjustment in the exercise price or the number of Warrant Units issuable upon the exercise of the whole Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would change the exercise price by at least 1% or the number of Units purchasable upon exercise by at least one one-hundredth of a Unit.

In addition to the foregoing, the Warrant Indenture will provide that the REIT will have the right, at any time and from time to time, on a temporary or permanent basis and on terms the REIT deems fit, subject to any required regulatory approvals, including the TSX, and without the consent, approval or concurrence of any holders of whole Warrants, to reduce the exercise price of the whole Warrants or any other series of warrants now or hereafter issued and outstanding under the Warrant Indenture by providing notice to holders of affected warrants (which may include the whole Warrants) specifying the terms on which the exercise price is to be reduced. The determination of whether to exercise the above discretion, if at all, is a matter that the REIT will determine. Holders should not expect the REIT to exercise this discretion.

The REIT will also covenant in the Warrant Indenture that, during the period in which the whole Warrants are exercisable, it will give notice to holders of whole Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the whole Warrants or the number of Warrant Units issuable upon exercise of the whole Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such events.

No fractional Warrants will be issued and no fractional Warrant Units will be issuable upon the exercise of any whole Warrants, and no cash or other consideration will be paid in lieu of whole Warrants or fractional units. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Units of the REIT would have.

From time to time, the REIT and the Warrant Agent, without the consent of the holders of whole Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of whole Warrants in a material respect. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the whole Warrants in a material respect may only be made by “extraordinary resolution”, which is defined in the Warrant Indenture as a resolution either (1) passed at a meeting of the holders of whole Warrants at which there are holders of whole Warrants present in person or represented by proxy entitled to purchase at least 10% of the aggregate number of Units which may be purchased pursuant to all of the then outstanding whole Warrants and passed by the affirmative vote of holders of whole Warrants representing not less than 66⅔% of the aggregate number of the Units which may be purchased pursuant to all of the then outstanding whole Warrants represented at the meeting and voted on the poll upon such resolution or (2) adopted by an instrument in writing signed by the holders of whole Warrants representing not less than 66⅔% of the aggregate number of Units which may be purchased pursuant to all of the then outstanding whole Warrants.

ACQUISITION OF INITIAL PROPERTIES

In December 2012, upon closing of the IPO, the REIT acquired an indirect interest in the Initial Properties pursuant to the Acquisition Agreement. The following is a summary of the material terms of the Acquisition Agreement, which is qualified in its entirety by reference to all of the provisions of such agreement. The Acquisition Agreement is available on SEDAR at www.sedar.com.

The REIT indirectly acquired the Initial Properties for an aggregate purchase price of approximately \$48.5 million in cash and the issuance special voting units of the REIT. The REIT indirectly acquired the Initial Properties through the acquisition of (i) a promissory note originally issued by FAM LP in favour of Huntingdon with a principal amount equal to \$31.1 million, (ii) 2,768,611 Class A limited partnership units of FAM LP with an estimated value of \$17.355 million, (iii) 100% of the issued and outstanding shares of FAM GPCo Inc. (“FAM GP”), as managing general partner of the Partnership, and (iv) 49% of the issued and outstanding shares of FAM Property Inc., as participating general partner of the Partnership.

The Acquisition Agreement contains representations and warranties typical of those contained in acquisition agreements for similar portfolios of real property negotiated between sophisticated purchasers and vendors acting at arm’s length. Certain of the representations and warranties are qualified as to knowledge (after reasonable inquiry), materiality and disclosure, subject to reasonable exceptions. The representations and warranties relate to Huntingdon and the Initial Properties and are from Huntingdon in favour of the REIT (including, among other things, representations and warranties in respect of Huntingdon, as to existence, power and capacity; due authorization; no material approvals; no contravention; execution, delivery and enforceability of the Acquisition Agreement; and not a non-resident, and in respect of FAM LP, its general partners and the properties, as to organization and status; power

and authorization; authorized and issued capital; compliance with laws; litigation; regulatory matters; absence of undisclosed liabilities; financial statements; no material adverse change; tax matters; outstanding liens; outstanding indebtedness and guarantees; material agreements; insurance; leases in good standing; mortgages not in default; rent rolls are accurate; no notices from regulatory authority; nominee corporations have not carried on business; intellectual property; environmental; title to the Initial Properties; condition of tangible assets; employment / labour matters / benefits plans; no obligation to issue securities; no expropriation; permits in good standing; land use; work orders; access; ground leases; and rights of first offer/refusal. Huntingdon also provided representations and warranties that the prospectus contains full, true and plain disclosure of all material facts relating to the Initial Properties and other assets being acquired, subject to an exception for portions of the prospectus purporting to be made on authority of an expert or purporting to be an extract from a report, opinion or statement of an expert. Such representations and warranties will survive for a period of 18 months from closing of the IPO; provided, however, that representations regarding organization and status, and power and authorization shall survive until expiry of the applicable limitation period, representations regarding tax matters shall survive for a period of 120 days after the expiry of the applicable limitation period and the prospectus representation and representations regarding certain environmental matters shall survive for a period of three years from closing of the IPO. Any claim for any breach of any of the representations and warranties contained in the Acquisition Agreement involving fraud or fraudulent misrepresentation may be made at any time subject only to the applicable limitation period imposed by applicable laws.

Pursuant to the Acquisition Agreement, Huntingdon will undertake, at its cost, all recommended actions set out by the independent environmental consultant in its environmental reports, including subsequent reports contemplated therein, or in any screening level risk assessments or quantitative risk assessments prepared in respect of the Initial Properties and will obtain all necessary environmental permits (collectively, the “Recommended Environmental Work”). At a minimum, the Recommended Environmental Work will include: the removal of all free-phase products at two of the Initial Properties either prior to closing of the IPO or within a specified time period thereafter, immediate testing of indoor air quality (“IAQ”) at three of the Initial Properties and successful implementation of the recommended measures, as applicable, based on the results of the IAQ, ongoing regular IAQ and groundwater monitoring, the inclusion of a barrier at one property boundary to prevent potential off-site migration and the conduct of certain other regular monitoring programs going forward. Notwithstanding the foregoing, Huntingdon will only be responsible for the cost of any monitoring activities for a period of three (3) years following closing of the IPO.

Prior to closing of the IPO, Huntingdon was required to provide a report by the independent environmental consultant outlining the detailed approach for each of the Initial Properties where environmental work and/or monitoring are required, including specific timelines for completion at each property.

To the extent the REIT recovers any costs of the Recommended Environmental Work from tenants of the Initial Properties, these amounts will be paid to Huntingdon. The Recommended Environmental Work will be completed by Huntingdon either prior to closing of the IPO or within a specified time period thereafter, based on the recommendation of the independent environmental consultant as to an appropriate period of time.

Huntingdon agreed to indemnify the REIT for any breach of representations and warranties or covenants under the Acquisition Agreement. Huntingdon also agreed to indemnify the REIT for any claims, damages or losses suffered by the REIT as a result of any of the environmental matters identified in the environmental reports or Recommended Environmental Work for a period of three years following closing of the IPO. The maximum liability of Huntingdon in respect of any claims for indemnification shall be limited to \$25 million, but may be increased to \$35 million in respect of environmental claims. No claim under the representations and warranties and indemnities, with the exception of a claim under the environmental indemnity, may be made until the aggregate losses exceed minimum threshold amounts (which will total \$750,000).

RETAINED INTEREST

As at December 31, 2013, Huntingdon holds 2,977,132 Class B LP Units (being all of the Class B LP Units that are issued and outstanding) and 515,160 Units representing an approximate 29% economic interest in the REIT. Each Class B LP Unit is exchangeable at the option of the holder for one Unit of the REIT (subject to customary anti-dilution adjustments), is accompanied by one Special Voting Unit of the REIT (which provides for the same voting

rights in the REIT as a Unit) and is entitled to distributions of cash from FAM LP equal to the cash distributions paid to holders of Units by the REIT.

Pursuant to the Declaration of Trust, Huntingdon will have the right to nominate one Trustee for election to the Board (depending on the size of the Board and the level of Huntingdon's direct or indirect ownership interest in the REIT). See "Declaration of Trust" and "Trustees and Executive Officers of the REIT". Pursuant to the Acquisition Agreement, Huntingdon has agreed to retain 2,513,700 Class B LP Units for a minimum of six months following closing of the IPO and thereafter to retain 1,678,740 Class B LP Units (which represent an approximate 20% ownership interest in the REIT calculated as of closing of the IPO) for a minimum of 24 months following closing of the IPO, subject to dilution and customary exceptions including transfers of Units in connection with the exercise or exchange of Deferred Units issued to the Chief Executive Officer of the REIT. Beginning on the date that is 180 days after closing of the IPO, Class B LP Units held by Huntingdon may be pledged as security for indebtedness of up to 75% of the then market value of the Units into which such Class B LP Units are exercisable, provided that any pledgee, other than a Canadian chartered bank, agrees to abide by the terms of the agreement governing the maintenance of the retained interest.

Exchange Agreement

On December 28, 2012, REIT, FAM LP and Huntingdon entered into an exchange agreement (the "Exchange Agreement"). The Exchange Agreement governs the mechanics by which Huntingdon may require the REIT to exchange each Class B LP Unit for one Unit (the "Exchange Right"), subject to customary anti-dilution adjustments and the adjustments described under "Declaration of Trust".

The exchange procedure may be initiated at any time by the holder of a Class B LP Unit so long as all of the following conditions have been met:

- (a) the exchange would not cause the REIT to breach the restrictions respecting Non-Resident (as such term is defined in the Income Tax Act (Canada)) ownership contained in the REIT's Declaration of Trust as described under "Declaration of Trust" or otherwise cause it to cease to be a "mutual fund trust" for purposes of the Income Tax Act (Canada) or create a substantial risk of such cessation;
- (b) the REIT is legally entitled to issue the Units in connection with the exercise of the exchange rights; and
- (c) the person receiving the Units upon the exercise of the exchange rights complies with all applicable securities laws.

The Exchange Agreement provides that, so long as Huntingdon, directly or indirectly, holds at least a 10% ownership interest in the REIT, calculated on a fully-diluted basis, Huntingdon will have, subject to certain exceptions, pre-emptive rights to purchase Class B LP Units and/or Units to maintain its pro rata ownership interest in the REIT in the event that the REIT or any of its subsidiaries decides to issue equity securities, or securities convertible into or exchangeable for equity securities, to third parties. Upon exercise of this right, Huntingdon will be entitled to participate in the issue of such securities at the most favourable price and on the most favourable terms as such securities are offered to any third party.

Pursuant to the terms of the Exchange Agreement, so long as Huntingdon, directly or indirectly, holds at least a 20% ownership interest in the REIT (calculated on a fully-diluted basis) Huntingdon will be granted demand and "piggy-back" registration rights by the REIT that will enable it to require the REIT to file a prospectus and otherwise assist with a public offering of Units, subject to certain limitations. The expenses in respect of the exercise by Huntingdon of its "piggy back" rights, subject to certain exceptions, will be borne by the REIT, except that any underwriting fee on the sale of Units by Huntingdon and the fees of Huntingdon's external legal counsel will be borne by Huntingdon. The expenses in respect of an exercise by Huntingdon of its demand rights, subject to certain exceptions, will be borne by the REIT and Huntingdon on a proportionate basis according to the number of Units distributed by each.

Pursuant to an amended and restated limited partnership agreement dated December 28, 2012 (the “FAM LP Agreement”) between the REIT, FAM Property Inc. and FAM GP, Class B LP Units are not permitted to be transferred and Huntingdon as holder of the Class B LP Units will agree not to take any action that would result in the Class B LP Units being held by a Non-Resident.

Right of First Offer

Following closing of the IPO, Huntingdon retained a portfolio of fee-simple and ground-leased properties, which are located in core markets where the REIT would like to expand its presence. On December 28, 2012, the REIT entered into a ROFO Agreement with Huntingdon, pursuant to which the REIT will be granted a right of first offer to acquire the industrial, office and retail properties owned or subsequently acquired by Huntingdon and/or its affiliates, prior to disposition of any such properties to a third party which will be on terms not materially less favourable to the REIT than those offered by or to such third party. The REIT expects to be offered assets from Huntingdon as these properties become stabilized and more suitable for the REIT’s investment criteria. Huntingdon expects that these assets will stabilize over the next three years. The REIT is not currently negotiating the purchase of any additional properties from Huntingdon and is not currently in negotiations to purchase any properties that it considers to be a “probable acquisition” for purposes of applicable securities laws.

The ROFO Agreement provides that if at any time and from time to time, Huntingdon determines that it desires to sell, or receives and desires to accept an offer to acquire (directly or indirectly by way of the sale or acquisition of securities), one or more of the industrial, office or retail properties owned or subsequently acquired by Huntingdon and/or its affiliates (a “Proposed Disposition”), Huntingdon will, by notice in writing, advise the REIT of such opportunity. Such a notice must outline all of the material terms and conditions of the Proposed Disposition and be accompanied by all material information relating to the Proposed Disposition as is in the control or possession of Huntingdon. The REIT will have up to 10 business days to notify Huntingdon, in the form of an executed non-binding letter of intent and accompanying refundable deposit, if it intends to acquire the Proposed Disposition. If the REIT reasonably believes that the information contained in the investment proposal is insufficient for it to make an investment decision, and notifies Huntingdon of same, Huntingdon must make reasonable commercial efforts to provide the REIT with such further information as is requested by the REIT and the REIT will have up to 10 business days from receipt of such additional information to notify Huntingdon, in the form of an executed non-binding letter of intent and accompanying refundable deposit, if it intends to acquire the Proposed Disposition. If the REIT is unwilling to acquire the Proposed Disposition at the proposed price, the REIT may counter, in the form of an executed non-binding letter of intent, with a minimum reservation price, below which price Huntingdon would be unable to sell the Proposed Disposition to a third party for a period of 180 days, following which period any sale of the property would be considered a new Proposed Disposition. If the REIT notifies Huntingdon that it does not wish to acquire the Proposed Disposition, or the applicable period for the REIT providing notice to Huntingdon lapses, Huntingdon will be entitled to complete the sale of the Proposed Disposition within the following 180 days to any third party on terms not materially more favourable to the third party than those offered to the REIT. The right of first offer may be subject to the rights of lenders under certain loan documents securing properties in which Huntingdon has an interest.

BORROWING & CREDIT FACILITIES

The REIT’s overall borrowing policy is to obtain secured mortgage financing on a primarily fixed rate basis, with a term to maturity that is appropriate having regard to the lease maturity profile for each property and which allows the REIT to (i) achieve and maintain staggered debt maturities to lessen exposure to interest rate fluctuations and re-financing risk in any particular period and (ii) fix the rates and extend loan terms as long as possible when borrowing conditions are favourable. Subject to market conditions and the growth of the REIT, management of the REIT currently intends to maintain indebtedness of approximately 50% - 55% of gross book value (“GBV”). The REIT intends to satisfy principal repayments and other capital expenditures in future years through a combination of re-financing of the REIT’s existing mortgages, the REIT’s working capital and through the REIT’s revolving credit facility.

The REIT may not incur or assume any indebtedness if, after giving effect to the incurring or assumption of such indebtedness, the total indebtedness of the REIT would be more than 65% of the GBV of its assets (including convertible debentures).

Interest rates and debt maturities will be reviewed regularly by the Trustees to ensure the appropriate debt management strategies are implemented. The REIT intends to finance its ongoing operations with a combination of, primarily, fixed rate secured debt with staggered maturities and floating rate secured short-term, construction and/or revolving debt. The fixed rate debt is expected to be comprised primarily of first charge mortgages. The REIT intends to satisfy principal repayments and other capital expenditures in future years through a combination of re-financing of the REIT's existing mortgages, the REIT's working capital and through the REIT's revolving credit facility.

The total indebtedness of the REIT as at December 31, 2013 was 52.2% of total assets.

Revolving Credit Facility

On December 28, 2012, a Canadian chartered bank has provided the REIT with an \$8.0 million revolving credit facility (the "Revolving Credit Facility"). The Revolving Credit Facility bears interest at a rate equal to the bank's prime rate plus 150 basis points per annum or Bankers' Acceptances plus 275 basis points. A standby fee of 60 basis points is be charged quarterly in arrears based on the daily undrawn amount of the Revolving Credit Facility. The Revolving Credit Facility will expire on November 30, 2014. In June 2013, the REIT increased its Revolving Credit Facility from \$8.0 million to \$14.0 million. The Revolving Credit Facility is being used by the REIT for general corporate purposes, including acquisitions.

The Revolving Credit Facility is secured by two of the Initial Properties (the "Borrowing Base"). The REIT is entitled to borrow the sum of the lesser of (a) 65% (60% for second mortgages) of the lesser of the purchase price and the most recent appraised value of each property and (b) the refinancing amount, less the outstanding principal amount of any prior charge less the mark-to-market adjustment of such prior mortgages, if any (the "Lending Value"). A minimum of two properties in the Borrowing Base must be pledged at all times and second mortgages on such properties shall not represent more than 50% of the overall Lending Value. Any property forming part of the Borrowing Base with less than 75% occupancy for two consecutive fiscal quarters shall be excluded from the Lending Value.

The ability of the REIT to borrow under the Revolving Credit Facility remains subject to the limitations on the ability of the REIT to incur indebtedness contained in the Declaration of Trust. The Revolving Credit Facility provides the REIT with flexibility to add or remove properties from the Borrowing Base, subject to compliance with certain conditions.

In February 2014, the REIT increased its Revolving Credit Facility limit from \$14.0 million to \$17.0 million. The expiry date has been extended to November 30, 2015, and is secured by four investment properties.

As at December 31, 2013, the security for the Revolving Credit Facility includes Saskatchewan Place and Airport Road Shopping Centre. As at March 6, 2014, the security for the Revolving Credit Facility includes Saskatchewan Place, Airport Road Shopping Centre, 1700 Ellice, and 585 Century.

The Revolving Credit Facility includes conditions precedent, financial and non-financial covenants and events of default customary for a credit facility of this nature. In addition, the Revolving Credit Facility will include certain restrictions for properties to qualify for inclusion in the Borrowing Base under such facility.

Outstanding Mortgages

The following table outlines certain parameters of the outstanding mortgages as at December 31, 2013:

Asset Class	Property Name	Mortgage Balance as at December 31, 2013	Interest Rate (%)	Maturity Date
Industrial Properties				
1.	35 Martin Way	\$ -	-%	-
2.	5404 36th Street SE	2,466,345	4.29%	Mar 2018
3.	7000 96th Street	6,450,026	4.36%	Dec 2019
4.	891 – 895 Century Street	1,930,733	4.91%	Mar 2018
5.	110 Lowson Crescent	2,494,894	5.30%	Dec 2015

Asset Class	Property Name	Mortgage Balance as at December 31, 2013	Interest Rate (%)	Maturity Date
6.	130 Lowson Crescent	871,108	6.15%	Apr 2015
	130 Lowson Crescent – 2 nd mortgage	633,069	4.65%	Feb 2018
7.	119 – 130 Plymouth Street	1,001,570	5.30%	Dec 2015
8.	1271 Sargent Avenue	1,696,326	5.81%	Sep 2017
9.	1855 Sargent Avenue	1,686,595	5.81%	Sep 2017
10.	1935 Sargent Avenue	4,108,530	5.89%	Feb 2025
11.	505 Industrial Drive	9,974,325	5.79%	Jun 2016
		\$ 33,313,521		
Office Properties				
12.	Saskatchewan Place	-	-	-
13.	280 Broadway Avenue	\$ 10,706,818	4.85%	Mar 2018
14.	286 Broadway Avenue	1,702,110	4.85%	Mar 2018
15.	585 Century Street	-	-	-
16.	220 Cree Crescent	806,253	4.36%	Dec 2019
17.	1680 Ellice Avenue	2,560,465	4.36%	Dec 2019
18.	1700 Ellice Avenue	-	-	-
19.	1030-1040 Empress Street	2,111,664	4.75%	Nov 2017
20.	114 Garry Street	4,702,764	4.85%	Mar 2018
21.	1336 – 1340 Sargent Avenue	2,285,623	4.75%	Nov 2017
22.	895 Waverley Street	3,559,731	4.36%	Dec 2019
23.	1000 Waverley Street	4,258,482	4.36%	Dec 2019
24.	4211 Yonge Street	24,640,295	3.68%	May 2023
25.	1189 Colonel Sam Drive	10,782,608	5.95%	Nov 2015
26.	The Promontory	22,834,999	4.60%	Aug 2023
		\$ 90,951,812		
Retail Properties				
27.	125 – 185 First Street	1,715,032	4.13%	Oct 2016
28.	Flin Flon Wal-Mart	4,573,655	4.36%	Dec 2019
29.	Airport Road Shopping Ctr	-	-	-
		\$ 6,288,687		
Total Portfolio		\$130,554,020		
Weighted Average Interest Rate		4.72%		

As at December 31, 2013, the REIT had a revolving line of credit of \$14,000,000 of which \$1,750,000 was drawn.

DECLARATION OF TRUST

General

The REIT is an unincorporated open-ended real estate investment trust established pursuant to the Declaration of Trust under, and governed by, the laws of the Province of Ontario. Although the REIT currently qualifies as a “mutual fund trust” as defined in the Income Tax Act (Canada), the REIT will not be a “mutual fund” as defined by applicable securities legislation.

Meetings of Unitholders

The Declaration of Trust provides that meetings of Unitholders will be required to be called and held in various circumstances, including (i) for the election or removal of Trustees, (ii) the appointment or removal of the auditors of the REIT, (iii) the approval of amendments to the Declaration of Trust (except as described below under “Amendments to Declaration of Trust”), (iv) the sale or transfer of the assets of the REIT as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the REIT approved by the Trustees), (v) the termination of the REIT, and (vi) for the transaction of any other business as the Trustees may

determine or as may be properly brought before the meeting. Meetings of Unitholders will be called and held annually, commencing in 2014, for the election of the Trustees and the appointment of the auditors of the REIT. All meetings of Unitholders must be held in Canada.

A meeting of Unitholders may be convened at any time and for any purpose by the Trustees and must be convened, except in certain circumstances, if requisitioned in writing by the holders of not less than 10% of the Voting Units then outstanding. A requisition must state in reasonable detail the business proposed to be transacted at the meeting. Unitholders have the right to obtain a list of Unitholders to the same extent and upon the same conditions as those which apply to shareholders of a corporation governed by the CBCA.

Unitholders may attend and vote at all meetings of Unitholders either in person or by proxy. Two persons present in person or represented by proxy, and such persons holding or representing by proxy not less in aggregate than 5% of the total number of outstanding Units and Special Voting Units, will constitute a quorum for the transaction of business at all such meetings. Any meeting at which a quorum is not present within one-half hour after the time fixed for the holding of such meeting, if convened upon the request of the Unitholders, will be terminated, but in any other case, the meeting will stand adjourned to a day not less than 14 days later and to a place and time as chosen by the chair of the meeting, and if at such adjourned meeting a quorum is not present, the Unitholders present either in person or by proxy will be deemed to constitute a quorum.

Holders of Special Voting Units will have an equal right to be notified of, attend and participate in meetings of Unitholders. Pursuant to the Declaration of Trust, a resolution in writing executed by Unitholders holding a proportion of the outstanding Units equal to the proportion required to vote in favour thereof at a meeting of Unitholders to approve that resolution is valid as if it had been passed at a meeting of Unitholders.

Advance Notice Provision

The Declaration of Trust includes certain advance notice provisions (the “Advance Notice Provision”), which will: (i) facilitate orderly and efficient annual general or, where the need arises, special, meetings; (ii) ensure that all Unitholders receive adequate notice of the Trustee nominations and sufficient information with respect to all nominees; and (iii) allow Unitholders to register an informed vote.

Except as otherwise provided in the Declaration of Trust, only persons who are nominated by Unitholders in accordance with the Advance Notice Provision shall be eligible for election as Trustees. Nominations of persons for election to the Board of Trustees may be made for any annual meeting of Unitholders, or for any special meeting of Unitholders if one of the purposes for which the special meeting was called was the election of Trustees: (a) by or at the direction of the Board of Trustees, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more Unitholders pursuant to a requisition of the Unitholders made in accordance with the Declaration of Trust; or (c) by any person (a “Nominating Unitholder”): (A) who, at the close of business on the date of the giving of the notice provided for below and on the record date for notice of such meeting, is entered in the REIT’s register as a holder of one or more Units carrying the right to vote at such meeting or who beneficially owns Units that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth in the Advance Notice Provision.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Unitholder, the Nominating Unitholder must have given timely notice thereof in proper written form to the Trustees.

To be timely, a Nominating Unitholder’s notice to the Trustees must be made: (a) in the case of an annual meeting of Unitholders, not less than 30 nor more than 60 days prior to the date of the annual meeting of Unitholders; provided, however, that in the event that the annual meeting of Unitholders is to be held on a date that is less than 50 days after the date (the “Notice Date”) that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Unitholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of Unitholders called for the purpose of electing Trustees (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the special meeting of Unitholders was made. In no

event shall any adjournment or postponement of a meeting of Unitholders or the announcement thereof commence a new time period for the giving of a Nominating Unitholder's notice as described above.

To be in proper written form, a Nominating Unitholder's notice to the Trustees must set forth: (a) as to each person whom the Nominating Unitholder proposes to nominate for election as a Trustee: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of Units or Special Voting Units which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of Unitholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of Trustees pursuant to applicable Securities Laws (as defined in the Declaration of Trust); and (b) as to the Nominating Unitholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Unitholder has a right to vote any Units and any other information relating to such Nominating Unitholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of Trustees pursuant to applicable Securities Laws. The REIT may require any proposed nominee to furnish such other information as may reasonably be required by the REIT to determine the eligibility of such proposed nominee to serve as an independent Trustee or that could be material to a reasonable Unitholder's understanding of the independence, or lack thereof, of such proposed nominee.

The chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Notwithstanding the foregoing, the Board of Trustees may, in its sole discretion, waive any requirement in the Advance Notice Provision.

Amendments to Declaration of Trust

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

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

- (a) an exchange, reclassification or cancellation of all or part of the Units, Special Voting Units or Preferred Units;
- (b) the addition, change or removal of the rights, privileges, restrictions or conditions attached to the Units, Special Voting Units or Preferred Units;
- (c) any constraint of the issue, transfer or ownership of the Units, Special Voting Units or Preferred Units or the change or removal of such constraint;
- (d) the sale or transfer of the assets of the REIT as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the REIT approved by the Trustees and not prejudicial to Unitholders);
- (e) the termination of the REIT (other than as part of an internal reorganization of the assets of the REIT approved by the Trustees and not prejudicial to Unitholders);
- (f) the combination, amalgamation or arrangement of any of the REIT or its subsidiaries with any other entity (other than as part of an internal reorganization of the assets of the REIT approved by the Trustees and not prejudicial to Unitholders); and

- (g) except as described herein, the amendment of the investment guidelines and operating policies of the REIT. See “Investment Guidelines and Operating Policies — Amendments to Investment Guidelines and Operating Policies”.

Notwithstanding the foregoing, the Trustees may, without the approval of the Unitholders, make certain amendments to the Declaration of Trust, including amendments:

- (a) aimed at ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over: (i) the Trustees or the REIT; (ii) the status of the REIT as a “mutual fund trust” under the Income Tax Act (Canada); or (iii) the distribution of Units;
- (b) which, in the opinion of the Trustees, provide additional protection for the Unitholders;
- (c) to remove any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Unitholders;
- (d) which, in the opinion of the Trustees, are necessary or desirable to remove conflicts or inconsistencies between the disclosure in this prospectus and the Declaration of Trust;
- (e) of a minor or clerical nature or to correct typographical mistakes, ambiguities or manifest omissions or errors, which amendments, in the opinion of the Trustees, are necessary or desirable and not prejudicial to the Unitholders;
- (f) which, in the opinion of the Trustees, are necessary or desirable: (i) to ensure continuing compliance with IFRS; or (ii) to ensure the Units qualify as equity for purposes of IFRS;
- (g) which, in the opinion of the Trustees, are necessary or desirable to enable the REIT to implement a Unit option or purchase plan or issue Units for which the purchase price is payable in instalments;
- (h) which, in the opinion of the Trustees, are necessary or desirable and not prejudicial to the Unitholders, (i) to create and issue one or more new classes of Preferred Units (each of which may be comprised of unlimited series) that rank in priority to the Units and Special Voting Units (in payment of distributions and in connection with any termination or winding-up of the REIT), and/or (ii) to remove the redemption right attaching to the Units and convert the REIT into a closed-end limited purpose trust;
- (i) which, in the opinion of the Trustees, are necessary or desirable for the REIT to qualify for a particular status under, or as a result of changes in, taxation or other laws, or the interpretation of such laws, including to qualify for the definition of “real estate investment trust” in the Income Tax Act (Canada) or to otherwise prevent the REIT or any of its Subsidiaries from becoming subject to tax under the SIFT Legislation;
- (j) to create one or more additional classes of units solely to provide voting rights to holders of shares, units or other securities that are exchangeable for Units entitling the holder thereof to a number of votes not exceeding the number of Units into which the exchangeable shares, units or other securities are exchangeable or convertible but that do not otherwise entitle the holder thereof to any rights with respect to the REIT’s property or income other than a return of capital; and
- (k) for any purpose (except one in respect of which a Unitholder vote is specifically otherwise required) which, in the opinion of the Trustees, is not prejudicial to Unitholders and is necessary or desirable.

Pursuant to the Declaration of Trust, no amendment shall be made that limits or alters the nomination rights of Huntingdon described in this prospectus without the express written consent of Huntingdon, provided that

Huntingdon and its affiliates hold, directly or indirectly, at least a 10% ownership interest in the REIT, calculated on a fully-diluted basis.

Redemption Right

Units are redeemable at any time on demand by the holders thereof upon delivery to the REIT of a duly completed and properly executed notice requesting redemption in a form reasonably acceptable to the Trustees, together with written instructions as to the number of Units to be redeemed. A Unitholder not otherwise holding a fully registered Unit certificate who wishes to exercise the redemption right will be required to obtain a redemption notice form from the Unitholder's investment dealer who will be required to deliver the completed redemption notice form to the REIT and to CDS Clearing and Depository Services ("CDS"). Upon receipt of the redemption notice by the REIT, all rights to and under the Units tendered for redemption shall be surrendered and the holder thereof will be entitled to receive a price per Unit (the "Redemption Price") equal to the lesser of:

- (l) 90% of the "Market Price" of a Unit calculated as of the date on which the Units were surrendered for redemption (the "Redemption Date"); and
- (m) 100% of the "Closing Market Price" on the Redemption Date.

For purposes of this calculation, the "Market Price" of a Unit as at a specified date will be:

- (a) an amount equal to the weighted average trading price of a Unit on the principal exchange or market on which the Units are listed or quoted for trading during the period of 10 consecutive trading days ending on such date;
- (b) an amount equal to the weighted average of the closing market prices of a Unit on the principal exchange or market on which the Units are listed or quoted for trading during the period of 10 consecutive trading days ending on such date, if the applicable exchange or market does not provide information necessary to compute a weighted average trading price; or
- (c) if there was trading on the applicable exchange or market for fewer than five of the 10 trading days, an amount equal to the simple average of the following prices established for each of the 10 consecutive trading days ending on such date: the simple average of the last bid and last asking price of the Units for each day on which there was no trading; the closing price of the Units for each day that there was trading if the exchange or market provides a closing price; and the simple average of the highest and lowest prices of the Units for each day that there was trading, if the market provides only the highest and lowest prices of Units traded on a particular day.

The "Closing Market Price" of a Unit for the purpose of the foregoing calculations, as at any date will be:

- (a) an amount equal to the weighted average trading price of a Unit on the principal exchange or market on which the Units are listed or quoted for trading on the specified date and the principal exchange or market provides information necessary to compute a weighted average trading price of the Units on the specified date;
- (b) an amount equal to the closing price of a Unit on the principal market or exchange if there was a trade on the specified date and the principal exchange or market provides only a closing price of the Units on the specified date;
- (c) an amount equal to the simple average of the highest and lowest prices of the Units on the principal market or exchange, if there was trading on the specified date and the principal exchange or market provides only the highest and lowest trading prices of the Units on the specified date; or
- (d) the simple average of the last bid and last asking prices of the Units on the principal market or exchange, if there was no trading on the specified date.

If Units are not listed or quoted for trading in a public market, the Redemption Price will be the fair market value of the Units, which will be determined by the Trustees in their sole discretion.

The aggregate Redemption Price payable by the REIT in respect of any Units surrendered for redemption during any calendar month will be paid by cheque, drawn on a Canadian chartered bank or trust company in Canadian dollars within 30 days after the end of the calendar month in which the Units were tendered for redemption, provided that the entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the limitations that: (i) the total amount payable by the REIT in respect of such Units and all other Units tendered for redemption in the same calendar month must not exceed \$50,000 (provided that such limitation may be waived at the discretion of the Trustees); (ii) on the date such Units are tendered for redemption, the outstanding Units must be listed for trading on the TSX or traded or quoted on any other stock exchange or market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Units; (iii) the normal trading of Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, in any market where the Units are quoted for trading) on the Redemption Date or for more than five trading days during the 10-day trading period commencing immediately before the Redemption Date; and (iv) the redemption of the Units must not result in the delisting of the Units the principal stock exchange on which the Units are listed.

Cash payable on redemptions will be paid pro rata to all Unitholders tendering Units for redemption in any month. To the extent a Unitholder is not entitled to receive cash upon the redemption of Units as a result of any of the foregoing limitations, then the balance of the Redemption Price for such Units will, subject to any applicable regulatory approvals, be paid and satisfied by way of a distribution in specie to such Unitholder of Redemption Notes. In the event of distributions of Redemption Notes, each Redemption Note so distributed to the redeeming holder of Units shall be in the principal amount of \$100 or such other amount as may be determined by the Trustees. No fractional Redemption Notes shall be distributed and where the number of Redemption Notes to be received upon redemption by a holder of Units would otherwise include a fraction, that number shall be rounded down to the next lowest whole number. The Trustees may deduct or withhold from all payments or other distributions payable to any Unitholder pursuant to the Declaration of Trust all amounts required by law to be so withheld. Where the REIT makes a distribution in specie on the redemption of Units of a Unitholder, the REIT currently intends to allocate to that Unitholder any capital gain or income realized by the REIT on or in connection with such distribution.

Purchase of Units by the REIT

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

Take-Over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid or issuer bid is made for Units within the meaning of the Securities Act (Ontario) and not less than 90% of the Units (other than Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Units held by Unitholders who do not accept the offer either, at the election of each Unitholder, on the terms offered by the offeror or at the fair value of such Unitholder’s Units determined in accordance with the procedures set out in the Declaration of Trust.

The Declaration of Trust and the Exchange Agreement will provide that in the event that a non-exempt take-over bid from a person acting at arm’s length to holders of LP Units (or any affiliate or associate thereof) is made for Units, unless the take-over bid is structured to permit holders of LP Units to both exchange and tender conditional on take-up, then, from and after the first take-up of Units under the said take-over bid (provided that not less than 25% of the Units other than Units held at the date of the take-over bid by the offeror or associates or affiliates of the offeror are so taken up) the terms and conditions of the LP Units will be amended such that the exchange ratio shall be varied to equal 110% of the exchange ratio then in effect (such that on conversion, exercise or exchange the holder shall receive 1.1 Units for each Unit that the holder would otherwise have received). Notwithstanding any adjustment on completion of an exclusionary offer as described above, the distribution rights attaching to the LP Units will also not be adjusted until the exchange right is actually exercised.

Issuance of Units

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

The REIT may also issue new Units (i) as consideration for the acquisition of new properties or assets by it, at a price or for the consideration determined by the Trustees or (ii) pursuant to any incentive or option plan established by the REIT from time to time, including the DRIP (See “Distribution Policy”).

The Declaration of Trust also provides that immediately after any pro rata distribution of Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated so that each Unitholder will hold, after the consolidation, the same number of Units as the Unitholder held before the non-cash distribution. In this case, each certificate representing a number of Units prior to the non-cash distribution is deemed to represent the same number of Units after the non-cash distribution and the consolidation. Where amounts distributed represent income, Non-Resident holders will be subject to withholding tax and the consolidation will not result in such Non-Resident Unitholders holding the same number of Units. Such Non-Resident Unitholders will be required to surrender the certificates (if any) representing their original Units in exchange for a certificate representing post-consolidation Units.

Non-Certificated Inventory System

Except in limited circumstances, registration of interests in and transfers of Units held through CDS Clearing and Depository Services Inc. and its successors (“CDS”), or its nominee, will be made electronically through the non-certificated inventory system of CDS. Units held in CDS will be purchased, transferred and surrendered for redemption through a CDS Participant. All rights of beneficial Unitholders who hold Units in CDS must be exercised through, and all payments or other property to which such beneficial Unitholders are entitled will be made or delivered by CDS or the CDS Participant through which the beneficial Unitholder holds such Units. A beneficial holder of a Unit participating in the NCI system will not be entitled to a certificate or other instrument from the Trust or Computershare Trust Company of Canada, as transfer agent (the “Transfer Agent”) evidencing that person's interest in or ownership of Units, nor, to the extent applicable, will such beneficial Unitholder be shown on the records maintained by CDS, except through an agent who is a CDS participant.

Transfer and Exchange of Units

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

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

Registered holders of definitive certificates representing Units may transfer such Units upon payment of taxes or other charges incidental thereto, if any, by executing and delivering a form of transfer together with the Unit certificates to the registrar for the Units at its principal office in the City of Toronto, Ontario or such other city or cities as may from time to time be designated by the REIT, whereupon new Unit certificates will be issued in

authorized denominations in the same aggregate principal amount as the Unit certificates so transferred, registered in the name of the transferees.

Limitation on Non-Resident Ownership

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

Information and Reports

The REIT will furnish to Unitholders such financial statements (including quarterly and annual financial statements) and other reports as are from time to time required by the Declaration of Trust and by applicable law. Prior to each meeting of Unitholders, the Trustees will provide the Unitholders (along with notice of such meeting) information as required by applicable tax and securities laws.

Investment Guidelines

The Declaration of Trust provides certain guidelines on investments that may be made directly or indirectly by the REIT. The assets of the REIT after the closing of the IPO may be invested only in accordance with the following restrictions:

- (a) the REIT may only invest, directly or indirectly, in interests (including fee ownership and leasehold interests) in income-producing commercial real estate located in Canada and the U.S. and assets ancillary thereto necessary for the operation of such real estate and such other activities as are consistent with the other investment guidelines of the REIT;
- (b) notwithstanding anything else contained in the Declaration of Trust, the REIT shall not make any investment, take any action or omit to take any action that would result in Units not being units of a “mutual fund trust” within the meaning of the Income Tax Act (Canada) or that would result in the Units or Warrants not being qualified investments for Exempt Plans;
- (c) the REIT shall not make or permit any of its Subsidiaries (including FAM LP) to make any investment that would result in: (i) the REIT or any of its Subsidiaries being liable to pay a tax imposed under either paragraph 122(1)(b) or subsection 197(2) of the Income Tax Act (Canada); or (ii) the REIT ceasing to qualify as a “real estate investment trust” for purposes of the Income Tax Act (Canada);

- (d) the REIT shall not invest in any interest in a single real property if, after giving effect to the proposed investment, the cost to the REIT of such investment (net of the amount of debt incurred or assumed in connection with such investment) will exceed 20% of GBV at the time the investment is made;
- (e) the REIT may, directly or indirectly, invest in a joint venture arrangement for the purposes of owning interests or investments otherwise permitted to be held by the REIT; provided that such joint venture arrangement contains terms and conditions which, in the opinion of management, are commercially reasonable, including without limitation such terms and conditions relating to restrictions on the transfer, acquisition and sale of the REIT's and any joint venturer's interest in the joint venture arrangement, provisions to provide liquidity to the REIT, provisions to limit the liability of the REIT and its Unitholders to third parties, and provisions to provide for the participation of the REIT in the management of the joint venture arrangement. Notwithstanding the foregoing, the REIT's indirect investment in the property located at 220 Portage Avenue is permitted and the REIT may from time to time enter into any joint venture arrangement which does not comply with the foregoing guidelines if the Trustees determine that the investment is desirable for the REIT and is otherwise in compliance with the investment guidelines and operating policies established in accordance with Declaration of Trust and in effect at such time. For purposes hereof, a joint venture arrangement is an arrangement between the REIT and one or more other persons pursuant to which the REIT, directly or indirectly, conducts an undertaking for one or more of the purposes set out in the investment guidelines of the REIT and in respect of which the REIT may hold its interest jointly or in common or in another manner with others either directly or through the ownership of securities of a corporation or other entity;
- (f) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada, short-term government debt securities or money market instruments maturing prior to one year from the date of issue and except as permitted pursuant to the investment guidelines and operating policies of the REIT, the REIT may not hold securities of a person other than to the extent such securities would constitute an investment in real property (as determined by the Trustees) and provided further that, notwithstanding anything contained in the Declaration of Trust to the contrary, but in all events subject to paragraph (m) above, the REIT may acquire securities of other real estate investment trusts;
- (g) the REIT shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
- (h) the REIT shall not invest, directly or indirectly, in operating businesses unless such investment is an indirect investment and is incidental to a transaction:
 - (i) where revenue will be derived, directly or indirectly, principally from real property; or
 - (ii) which principally involves the ownership, maintenance, development, improvement, leasing or management, directly or indirectly, of real property (in each case as determined by the Trustees);
- (i) the REIT shall not invest in raw land for development, except (i) for existing properties with additional development or properties adjacent to existing properties of the REIT for the purpose of the renovation or expansion of existing properties, or (ii) the development of new properties which will be capital property of the REIT, provided that the aggregate value of the investments of the REIT in raw land, excluding raw land under development, after giving effect to the proposed investment, will not exceed 5% of GBV;

- (j) the REIT may invest in mortgages and mortgage bonds (including participating or convertible mortgages) and similar instruments where:
 - (i) it intends to use the acquisition of the mortgages as a method of acquiring, directly or indirectly, an income-producing real property which would otherwise meet the investment guidelines of the REIT; or
 - (ii) the real property which is security therefor is income-producing real property which otherwise meets the other investment guidelines of the REIT, the loan is not in excess of 75% of the market value of the property securing the mortgage and the aggregate book value of the investments of the REIT in mortgages, after giving effect to the proposed investment, will not exceed 15% of GBV; and

The REIT may also invest in mortgages where the (i) mortgage is a vendor take-back mortgage granted to the REIT in connection with the sale by the REIT of an existing property and as a means of financing the purchaser's acquisition of such property from the REIT, (ii) mortgage is interest bearing, (iii) mortgage is registered on title to the real property which is security therefor, (iv) mortgage has maturity not exceeding five years, (v) amount of mortgage loan is not in excess of 85% of the selling price of the property securing the mortgage, and (vi) aggregate value of these mortgages, after giving effect to the proposed investment, will not exceed 15% of GBV of the REIT calculated at the time of such investment.

- (k) the REIT may invest an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any debt incurred or assumed in connection with such investment) up to 15% of the GBV of the REIT in investments which do not comply with one or more of paragraphs (l), (q), (s) and (t).

Operating Policies

The Declaration of Trust provides that operations and affairs of the REIT are to be conducted in accordance with the following policies:

- (a) the REIT shall not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for the purposes hereof, the term "hedging" has the meaning ascribed thereto by National Instrument 81-102 – Mutual Funds adopted by the Canadian Securities Administrators, as replaced or amended from time to time;
 - (i) any written instrument creating an obligation which is or includes the granting by the REIT of a mortgage; and
 - (ii) to the extent practicable, any written instrument which creates a material obligation upon the REIT, shall contain a provision, or be subject to an acknowledgement to the effect, that the obligation being created is not personally binding upon, and that resort must not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise the private property of any of the Trustees, Unitholders, annuitants or beneficiaries under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of the REIT, but that only property of the REIT or a specific portion thereof is bound; the REIT, however, is not required, but must use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the REIT upon the acquisition of real property;
- (b) the REIT shall not lease or sublease to any tenant that is not an Institutional Tenant any real property, premises or space where that person and its affiliates would, after the contemplated lease or sublease, be leasing or subleasing real property, premises or space having a fair market value net of encumbrances in excess of 20% of the aggregate of (a) the amount of Unitholders' equity; and (b) the amount of accumulated depreciation and amortization recorded on the books and

record of the REIT in respect of its properties, in each case calculated in accordance with IFRS (the “Adjusted Unitholders Equity”);

- (c) the REIT may engage in construction or development of real property: (i) to maintain its real properties in good repair or to improve the income-producing potential of properties in which the REIT has an interest; and (ii) to develop new properties that will be capital properties of the REIT on completion, provided that the aggregate value of the investments of the REIT in properties under development after giving effect to the proposed investment in the construction or development, will not exceed 15% of GBV;
- (d) title to each real property shall be held by and registered in the name of the REIT, the Trustees or a corporation or other entity owned in whole or in part, directly or indirectly, by the REIT or jointly owned, directly or indirectly, by the REIT, with joint venturers;
- (e) the REIT shall not incur or assume any indebtedness if, after giving effect to the incurrence or assumption of such indebtedness, the total indebtedness of the REIT would be more than 65% of GBV (including convertible debentures);
- (f) the REIT shall not directly or indirectly guarantee any indebtedness or liabilities of any kind of a third party, except indebtedness or liabilities assumed or incurred by an entity in which the REIT holds an interest, directly or indirectly, or by an entity jointly owned by the REIT with joint venturers and operated solely for the purpose of holding a particular property or properties, where such indebtedness, if granted by the REIT directly, would cause the REIT to contravene its investment guidelines or operating policies. The REIT is not required but shall use its reasonable best efforts to comply with this requirement (i) in respect of obligations assumed by the REIT pursuant to the acquisition of real property; or (ii) if doing so is necessary or desirable in order to further the initiatives of the REIT permitted under the Declaration of Trust;
- (g) the REIT shall directly or indirectly obtain and maintain at all times property insurance coverage in respect of potential liabilities of the REIT and the accidental loss of value of the assets of the REIT from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practice of owners of comparable properties;
- (h) no acquisition shall be made by the REIT nor any development undertaken unless and until the officers of the REIT have prepared and presented to the investment committee of the REIT (the “Investment Committee”) or the Trustees, a written report containing their recommendation that the REIT make the investment together with a financial analysis of the estimated cost and projected return from the investment and such supplementary information and data (including, without limitation, underlying assumptions, proposed financing arrangements, leasing and economic and market data) as is reasonably necessary to evaluate the investment decision; and
- (i) the REIT shall obtain a Phase I ESA of each real property to be acquired by it and, if the Phase I ESA report recommends that a further environmental site assessment be conducted, the REIT shall have conducted such further environmental site assessments, in each case by an independent and experienced environmental consultant; as a condition to any acquisition such assessments shall be satisfactory to the Trustees.

For the purpose of the foregoing investment guidelines and operating policies, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by the REIT will be deemed to be those of the REIT on a proportionate consolidation basis. In addition, any references in the foregoing investment guidelines and operating policies to investment in real property will be deemed to include an investment in a joint venture arrangement that invests in real property.

Amendments to Investment Guidelines and Operating Policies

Pursuant to the Declaration of Trust, all of the investment guidelines set out under the heading “Investment Guidelines” and the operating policies contained in paragraphs (a), (b), (f), (g), (h) and (j), set out under the heading “Operating Policies” may be amended only with the approval of two-thirds of the votes cast by Unitholders of the REIT at a meeting of Unitholders called for such purpose. The remaining operating policies may be amended with the approval of a majority of the votes cast by Unitholders at a meeting called for such purpose.

If at any time a regulatory authority having jurisdiction over the REIT or any property of the REIT shall enact any law, regulation or requirement which is in conflict with any investment guideline or operating policy of the REIT then in force, the investment guideline or operating policy in conflict shall, if the Trustees on the advice of legal counsel to the REIT so resolve, be deemed to have been amended to the extent necessary to resolve the conflict, and, notwithstanding anything to the contrary, the resolution of the Trustees shall not require the prior approval of Unitholders.

FAM LP

General

FAM LP is a limited partnership formed under the laws of the Province of Ontario prior to the closing of the IPO and will be governed by the FAM LP Agreement. The general partner of FAM LP is FAM GP, a company incorporated under the laws of Ontario. FAM GP, which is wholly owned by the REIT, holds the REIT’s wholly-owned properties. The limited partners of FAM LP are the REIT and Huntingdon.

Partnership Units

FAM LP has outstanding 100 general partnership units, all of which are held by FAM GP, 5,882,662 Class A LP Units, all of which are held by the REIT, and 2,977,132 Class B LP Units, all of which are held by Huntingdon. As at December 31, 2013, the Class A LP Units, together with the general partnership units, represent approximately 66% of the total interests in FAM LP and the Class B LP Units represent approximately 34% of the total interests in FAM LP.

The Class B LP Units are, in all material respects, economically equivalent to the Units on a per unit basis. Under the FAM LP Agreement, the Class B LP Units are exchangeable on a one-for-one basis for Units (subject to adjustments) at any time at the option of their holder, unless the exchange would jeopardize the REIT’s status as a “mutual fund trust” under the Income Tax Act (Canada). In addition, FAM LP is entitled to require the redemption of the Class B LP Units in certain specified circumstances. Class B LP Units are not transferable and Huntingdon has agreed not to take any action that would result in: (i) the Class B LP Units being held by a Non-Resident; or (ii) FAM LP failing to qualify as an “excluded subsidiary entity” for purposes of the SIFT Legislation.

The FAM LP Agreement provides that taxable income of FAM LP will, to the extent possible, be allocated to Huntingdon in amounts approximating what would be realized by it if it held its interest in the REIT in Units rather than by holding Class B LP Units. The remaining taxable income of FAM LP will be allocated to the REIT and the general partners of FAM LP in accordance with their respective partnership interests in FAM LP. Losses of FAM LP will be allocated under a similar methodology.

Except as required by law and in certain specified circumstances in which the rights of a holder of Class B LP Units are affected, holders of Class B LP Units are not entitled to vote at any meeting of the holders of LP Units.

Holders of Class A LP Units are entitled to notice of, and to attend and vote at, all meetings of holders of Class A LP Units. No Class A LP Units will be issued to or held by Non-Residents.

The business and affairs of FAM LP are managed and controlled exclusively by FAM GP, which is bound by the investment guidelines and operating policies applicable to the REIT.

MANAGEMENT'S DISCUSSION & ANALYSIS

Management's Discussion and Analysis of Financial Condition and Results of Operations of the REIT for the year ended December 31, 2013, as filed on SEDAR at www.sedar.com, is incorporated by reference herein.

CEASE TRADER ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

None of the Trustees, executive officers or promoters of the REIT is, as at the date of this Annual Information Form, or has been within the 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any person or company (including the REIT) that was subject to one of the following orders, that was in effect for a period of more than 30 consecutive days:

- (a) a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was issued while the director or executive officer was acting in the capacity as director or executive officer; or
- (b) a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of the Trustees, executive officers or promoters of the REIT, or shareholders holding a sufficient number of Units of the REIT to affect materially its control:

- (a) is, as at the date of this Annual Information Form, or has been within the 10 years before the date of this Annual Information Form, a director or executive officer of any company (including the REIT) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the Trustee, executive officer or shareholder; or
- (c) has had imposed any penalties or sanctions by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a security regulatory authority or has had imposed any penalties or sanctions by a court or a regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

MANAGEMENT OF THE REIT

Huntingdon

The REIT's wholly-owned properties are managed by Huntingdon. Huntingdon is a real estate operating company listed on the TSX (Common Shares: HNT; Debentures: HNT.DB; Warrants: HNT.WT). Huntingdon owns and manages a portfolio of industrial, office, retail and aviation-related properties throughout Canada.

Management Agreement

Pursuant to the Management Agreement, Huntingdon provides the REIT with strategic, asset management, administrative, property management, leasing, construction management and administrative services necessary to manage the day-to-day operations of the REIT and its assets (collectively, the "Management Services"). Huntingdon will provide such administrative, executive and management personnel as may be reasonably necessary to perform

its obligations by using its own employees. Huntingdon shall also provide personnel to serve as CEO and CFO of the REIT.

Pursuant to the Management Agreement, Huntingdon has the right to nominate one Trustee for election to the Board of Trustees during the term of the Management Agreement, provided that so long as Huntingdon or an affiliate of Huntingdon has rights to elect Board members in accordance with the Declaration of Trust this right shall not apply.

Huntingdon will be entitled to the following fees for its management services:

- a “base management fee” equal to 0.3% of the GBV of the REIT’s assets;
- a “property management fee” equal to 3.0% of the gross revenues collected and remitted from the REIT’s assets.

Huntingdon shall be entitled to receive reimbursement for all reasonable out-of-pocket costs and expenses incurred by Huntingdon in the performance of its duties under the Management Agreement, consistent with industry standards in such regard. Reimbursable expenses shall be reimbursed to Huntingdon on a monthly basis. For greater certainty, reimbursable expenses shall not include any mark-up or profit component for Huntingdon.

These reimbursements will include landlord reimbursements and recoveries as well as property administration fees allowable under the tenant leases relating to assets or resources of Huntingdon that are directly attributable to the management of the REIT’s properties, including those relating to: (i) employment expenses of property-related personnel (salaries, wages, cost of employee benefit plans, etc.) and (ii) expenses related to on-site offices. For greater clarity, Huntingdon shall not be reimbursed for corporate-level general and administrative expenses;

- an “acquisition fee” equal to 1.0% of the purchase price on the first \$100 million of properties acquired in each fiscal year; (ii) 0.75% of the purchase price on the next \$100 million of properties acquired each fiscal year, and (iii) 0.50% of the purchase price on properties in excess of \$200 million acquired in each fiscal year; provided that no acquisition fee will be payable in respect of the Initial Properties or any properties owned by Huntingdon or any of its subsidiaries at the time of the closing of the IPO if such properties are subsequently acquired by the REIT;
- a “financing fee” equal to 0.25% of the value of any debt financing payable on transaction completion;
- a “leasing fee” equal to 5.0% of the base rent for all new leases and 2.0% of base rent for all renewals of existing leases and expansion of leased premises, payable on the signing of a binding lease, extension, renewal or amending document; and
- a “construction management fee” equal to 5.0% of all costs of any construction activity undertaken by the REIT, payable at the time payments for construction are made. Construction activities include all tenant and building improvements undertaken by the REIT but exclude maintenance capital expenditures.

Huntingdon will not charge any disposition fees.

In addition, Huntingdon will be reimbursed for all third party costs and out-of-pocket expenses incurred in connection with the performance of the services described in the Management Agreement or such other services which the REIT and Huntingdon agree in writing are to be provided from time to time by Huntingdon, including: (i) interest and other costs of borrowed money; (ii) legal, accounting and other professional advisors, appraisers and consultants; (iii) fees/expenses incurred in connection with acquisitions, dispositions and ownership of property or mortgage loans or other property; (iv) insurance; (v) travel and accommodation expenses; and (vi) incorporation, organization and maintenance of subsidiaries of the REIT.

The Management Agreement is for a term of 10 years (the “Initial Term”) and is renewable for further five year terms (the “Renewal Terms”, and together with the Initial Term, the “Term”), unless and until the Management

Agreement is terminated in accordance with the provisions thereof. Subject only to the termination provisions in the Management Agreement, Huntingdon will automatically be re-engaged at the expiration of each Term. Huntingdon has the right, at any time, but upon 180 days' prior written notice, to terminate the Management Agreement for any reason. Huntingdon may also terminate the Management Agreement upon the occurrence of an "event of default" (as defined in the Management Agreement) of the REIT.

The REIT will have the right to terminate the Management Agreement upon an "event of default" (being a bankruptcy, fraud or material uncured breach) by Huntingdon. The REIT may also terminate the Management Agreement, upon three months' prior written notice, at the expiry of the Initial Term and thereafter upon the expiry of each ensuing Renewal Term provided that: (i) a majority of the Independent Trustees determine that the services of Huntingdon under the Management Agreement are unsatisfactory; (ii) such termination is approved by at least two-thirds of the votes cast by Unitholders at a duly called meeting of Unitholders; and (iii) a termination fee in an amount equal to the fees payable to Huntingdon for the prior 12-month period is paid to Huntingdon. For greater certainty, no termination fee will be payable where the Management Agreement is terminated due to an event of default of Huntingdon or where the Management Agreement is terminated by Huntingdon (other than in connection with an event of default of the REIT).

Upon termination of the Management Agreement for any reason (other than for a Huntingdon event of default or by Huntingdon for convenience), the REIT has agreed to fully indemnify Huntingdon from and against any and all severance costs (if any) actually incurred by Huntingdon in respect of employees of Huntingdon arising out of or resulting from the ensuing termination of redundant or surplus employees as a consequence of the termination of the Management Agreement in respect of the period after the closing of the IPO that each such employee has worked on REIT matters and based on the proportion of each such employee's services attributable to REIT matters.

Management Restrictions

During the term of the Management Agreement, Huntingdon and its officers and directors are not to, directly or indirectly, individually or in partnership or jointly or in conjunction with any person(s): (i) create or manage another real estate investment trust focused on the ownership of industrial, office or retail properties in Canada and/or the U.S. (the "Restricted Investments"); (ii) invest in, purchase or finance the purchase of any assets which constitute Restricted Investments and meet the investment criteria of the REIT, unless such investment opportunity has first been offered to the REIT (on no less favourable terms) and the REIT has declined to purchase such assets; or (iii) solicit tenants, suppliers, employees, consultants, advisers, partners, trustees, directors, officers or agents away from the REIT or its facilities, or otherwise interfere with relationships that the REIT has with such persons.

The above restrictions will not apply to (each, a "Permitted Property"): (a) any interest up to \$10 million in an entity owning Restricted Investments that represents less than a 50% fully-diluted interest in such entity and affiliates of that entity; (b) any interest in the securities of a public entity owning Restricted Investments that represents less than a 10% fully-diluted interest in such entity; (c) any interest in the securities of a public entity owning Restricted Investments (representing up to a 100% interest) provided that any Restricted Investments owned or subsequently acquired by such entity that do not constitute a Permitted Property are first offered to the REIT; (d) any controlling interest in any entity or a portfolio of assets, in each case that owns or contains Restricted Investments that comprise less than 30% of the asset value of such entity or portfolio; (e) any activity related to (i) any Restricted Investment that is first offered to the REIT in accordance with the restrictions above, or (ii) any of the other exceptions in this section; and (f) any other exception approved by the Board of Trustees from time to time (provided that the Independent Trustees shall be required to act reasonably and expeditiously in responding to any request for an exception).

Non-Solicitation

During, and for a period of two years following termination of the Management Agreement, the REIT will not (without the consent of Huntingdon), solicit or hire for employment any employee of Huntingdon (other than non-executives who respond to an advertisement available to the general public), provided that the REIT will be entitled to solicit any non-executive employee of Huntingdon in respect of whom the REIT is required to pay any and all severance costs (if any) actually incurred by Huntingdon in respect of employees of Huntingdon arising out of or resulting from the ensuing termination of redundant or surplus employees as a consequence of the termination of the

Management Agreement in respect of the period after closing of the IPO that each such employee has worked on REIT matters and based on the proportion of each such employee's services attributable to REIT matters.

TRUSTEES AND EXECUTIVE OFFICERS OF THE REIT

Governance and Board of Trustees

The Declaration of Trust provides that, subject to certain conditions, the Trustees will have absolute and exclusive power, control and authority over the REIT's assets and operations, as if the Trustees were the sole and absolute legal and beneficial owners of the REIT's assets. The governance practices, investment guidelines and operating policies of the REIT will be overseen by a Board of Trustees consisting of a minimum of one and a maximum of nine Trustees, a majority of whom will be Canadian residents. The REIT must, at all times, have a majority of Trustees who are independent within the meaning of National Policy 58-201 — Corporate Governance Guidelines ("NP 58-201") provided, however, that if at any time a majority of the Trustees are not independent because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any Trustee who was an independent Trustee, this requirement shall not be applicable for a period of 60 days thereafter, during which time the remaining Trustees shall appoint a sufficient number of Trustees who qualify as "independent" to comply with this requirement.

The Board of Trustees is currently comprised of five Trustees. A Trustee is an independent Trustee if such person is independent within the meaning of NP 58-201 (an "Independent Trustee"). Pursuant to NP 58-201, an Independent Trustee is one who is free from any direct or indirect relationship which could, in the view of the Board of Trustees, be reasonably expected to interfere with a Trustee's independent judgment. The REIT has determined that Pam Spackman, Gary Samuel, Ian MacKellar and Georges Dubé will be independent under these standards. Zachary George, as Huntingdon's Chairman of the Board, is not independent under these standards. All of the trusteeships and directorships of the Trustees with other public entities are disclosed in the biographical information for each Trustee set out below. The Board of Trustees has selected Gary Samuel to act as lead independent Trustee.

The mandate of the Board of Trustees is one of stewardship and oversight of the REIT and its business. In fulfilling its mandate, the Board of Trustees has adopted a written charter setting out its responsibility, among other things, for (i) participating in the development of and approving a strategic plan for the REIT; (ii) supervising the activities and managing the investments and affairs of the REIT; (iii) approving major decisions regarding the REIT; (iv) defining the roles and responsibilities of management; (v) reviewing and approving the business and investment objectives to be met by management; (vi) assessing the performance of and overseeing management; (vii) reviewing the REIT's debt strategy; (viii) identifying and managing risk exposure; (ix) ensuring the integrity and adequacy of the REIT's internal controls and management information systems; (x) succession planning; (xi) establishing committees of the Board of Trustees, where required or prudent, and defining their mandate; (xii) maintaining records and providing reports to Unitholders; (xiii) ensuring effective and adequate communication with Unitholders, other stakeholders and the public; (xiv) determining the amount and timing of distributions to Unitholders; and (xv) acting for, voting on behalf of and representing the REIT as a holder of Class A LP Units of FAM LP.

The Board of Trustees has adopted a written position description for the Chairman of the Board which sets out the Chairman's key responsibilities, including duties relating to setting Board meeting agendas, chairing Board and Unitholder meetings, Trustee development and communicating with Unitholders and regulators. The Board has also adopted a written position description for each of the committee chairs which sets out each of the committee chair's key responsibilities, including duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee. These descriptions will be considered by the Board for approval annually.

The REIT has adopted a written code of conduct (the "Code of Conduct") that applies to all Trustees, officers, and management of the REIT. The objective of the Code of Conduct is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the REIT. The Code of Conduct addresses conflicts of interest, protecting the REIT's assets, confidentiality, fair dealing with security holders, competitors and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour. As part of the Code of Conduct, any person subject to the Code of Conduct is required to avoid or fully disclose interests or relationships that are harmful or detrimental to the REIT's best interests or that may give rise to real, potential or the appearance of conflicts of interest.

The standard of care and duties of the Trustees provided in the Declaration of Trust is similar to those imposed on directors of a corporation governed by the Canada Business Corporations Act (“CBCA”). Accordingly, each Trustee is required to exercise the powers and discharge the duties of his or her office honestly, in good faith and in the best interests of the REIT and the Unitholders and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that each Trustee will be entitled to indemnification from the REIT in respect of the exercise of the Trustee’s powers and the discharge of the Trustee’s duties, provided that the Trustee acted honestly and in good faith with a view to the best interests of the REIT and the Unitholders or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where the Trustee had reasonable grounds for believing that his or her conduct was lawful.

Other than the Trustee nominated by Huntingdon as described below, the nominees for election of the Trustees will be determined by the REIT’s compensation, governance and nominating committee (the “Compensation, Governance and Nominating Committee”) in accordance with the provisions of the Declaration of Trust and will be included in the proxy related materials to be sent to Unitholders prior to each annual meeting of Unitholders.

The Unitholders or the Trustees are entitled to change the number of Trustees comprising the Board, provided that the number of Trustees comprising the Board will be set at five Trustees for two years following closing of the IPO unless changed by a resolution approved by at least two-thirds of the votes cast at a meeting of Unitholders. A quorum of the Trustees, being the majority of the Trustees then holding office (provided a majority of the Trustees comprising such quorum are residents of Canada), will be permitted to fill a vacancy in the Trustees, except a vacancy resulting from an increase in the number of Trustees or from a failure of the Unitholders to elect the required number of Trustees. In the absence of a quorum of Trustees, or if the vacancy has arisen from an increase in the number of Trustees other than in accordance with the provision regarding the appointment of Trustees in the Declaration of Trust or from a failure of the Unitholders to elect the required number of Trustees, the Trustees will promptly call a special meeting of the Unitholders to fill the vacancy. If the Trustees fail to call that meeting or if there is no Trustee then in office, any Unitholder will be entitled to call such meeting. Except as otherwise provided in the Declaration of Trust, the Trustees may, between annual meetings of Unitholders, appoint one or more additional Trustees to serve until the next annual meeting of Unitholders, provided that the number of additional Trustees so appointed will not at any time exceed one-third of the number of Trustees who held such office at the conclusion of the immediately preceding annual meeting of Unitholders. Any Trustee may resign upon 30 days’ written notice to the REIT, unless such resignation would cause the number of remaining Trustees to be less than a quorum, and may be removed by an ordinary resolution passed by a majority of the votes cast at a meeting of Unitholders.

The Declaration of Trust provides that so long as Huntingdon has an interest of at least 5% of the Units on a fully-diluted basis, Huntingdon will have the right to nominate one Trustee to the Board, provided that should the Board size be increased or decreased, Huntingdon’s nominee rights shall be increased or decreased proportionately (rounding up).

As of the date of this Annual Information Form, the Trustees and executive officers of the REIT collectively, beneficially own, directly or indirectly, or exercise control and direction over 133,262 Units and Special Voting Units representing, in the aggregate, 1.1% of the issued and outstanding Units and Special Voting Units.

The following table sets forth the name, municipality, state/province and country of residence, positions held with the REIT and principal occupation of the Trustees of the REIT. Each of the Trustees have been a Trustee since the closing of the IPO on December 28, 2012.

Name and Municipality of Residence	Position with the REIT	Principal Occupation
ZACHARY GEORGE ⁽⁶⁾⁽⁷⁾ Stamford, Connecticut, United States	Trustee	Portfolio Manager of FrontFour Capital Group LLC
PAM SPACKMAN ⁽²⁾⁽³⁾⁽⁸⁾ Toronto, Ontario, Canada	Trustee	Chair of the Mortgage Advisory Committee for Timbercreek Mortgage Strategies Inc.
GARY SAMUEL ⁽¹⁾⁽³⁾⁽⁵⁾⁽⁸⁾⁽⁹⁾ Toronto, Ontario, Canada	Trustee	President, Perek Bet Inc.

Name and Municipality of Residence	Position with the REIT	Principal Occupation
IAN MACKELLAR ⁽⁴⁾⁽⁵⁾⁽⁸⁾ Toronto, Ontario, Canada	Trustee	Corporate Director
GEORGES DUBÉ ⁽¹⁾⁽⁸⁾ Toronto, Ontario, Canada	Trustee	Partner, Bennett Jones LLP

Notes:

- (1) Member of the Compensation, Governance and Nominating Committee.
- (2) Chair of the Compensation, Governance and Nominating Committee.
- (3) Member of the Audit Committee.
- (4) Chair of the Audit Committee.
- (5) Member of the Investment Committee.
- (6) Chair of the Investment Committee.
- (7) Chair of the Board.
- (8) Independent Trustee.
- (9) Lead Independent Trustee.

Additional biographical information regarding the Trustees of the REIT for the past five years is set out below:

Zachary George, Stamford, Connecticut, United States. Mr. George is the Chair of Huntingdon. Mr. George is also a Co-Founder and Portfolio Manager of FrontFour Capital Group LLC, an event-driven hedge fund manager launched in 2006. He previously served as a Senior Investment Analyst at Pirate Capital and as a Credit Analyst for Mizuho Corporate Bank Ltd. He previously served as the Lead Independent Director of Cornell Companies Inc. and as the Lead Independent Director of PW Eagle Inc. and as a Director of Allied Defense Group, Inc. Mr. George received his JD from Brooklyn Law School.

Pam Spackman, Toronto, Ontario, Canada. Ms. Spackman is currently the Chair of the Mortgage Advisory Committee for Timbercreek Mortgage Strategies Inc., an entity that reviews and approves or declines mortgage loans proposed to be funded by Timbercreek Mortgage Investment Corporation (TSX: TMC), Timbercreek Senior Mortgage Investment Corporation (TSX: MTG) or Timbercreek Global Real Estate Fund (TSX: TGF.UN). Ms. Spackman is also a Member of the Advisory Committee of Crestpoint Real Estate Investments Ltd., a part of the Connor, Clark and Lunn group of companies, which owns a portfolio of commercial properties on behalf of its limited partnership investors. She has served on the Board of Directors of Gazit America Inc. (TSX: GAA), a company focused on entrepreneurial real estate opportunities, and acted as President and Chief Executive Officer of Column Canada Financial Corporation, a wholly owned subsidiary of Credit Suisse, Vice-President Mortgage Investment for the Ministry of Finance, Province of British Columbia and Investment Manager for the Workers' Compensation Board, Investment Fund, Ontario. Ms. Spackman acquired the ICD.D designation following completion of the Institute of Corporate Directors programme at the University of Toronto.

Gary Samuel, Toronto, Ontario, Canada. Mr. Samuel is currently President of Perek Bet Inc., a real estate investment firm. Mr. Samuel is a co-founder and retired partner of Crown Realty Partners, a Canadian institutional real estate investment and management corporation. Mr. Samuel was co-founder and Chief Executive Officer of Royop Properties Corporation, a Canadian real estate development company formerly listed on the TSX. He also founded and was the former Chief Executive Officer of Canadian Real Estate Investment Trust (TSX: REF.UN), a real estate investment trust. Mr. Samuel formerly served as Chairman of HOMEQ Corporation and its wholly owned subsidiary HomeEquity Bank, a Canadian chartered bank. He was also formerly a Director of First Capital Realty Corporation (TSX: FCR) and lead director of Gazit America Inc., both real estate companies. Mr. Samuel holds a JD from Osgoode Hall Law School, Toronto.

Ian MacKellar, Toronto, Ontario, Canada. Mr. MacKellar currently serves on the Board of Trustees of Alosinac Trust which oversees Rodenbury Investments Ltd., an owner of industrial real estate properties. Mr. MacKellar also formerly served on the Board of Directors of Build Toronto Inc., a real estate and development corporation owned by the City of Toronto. He recently served as a Financial Advisor to the Audit and Risk Management Committee of Build Toronto Inc. Mr. MacKellar also serves on the Finance Committee of Rosedale Golf Club. Mr. MacKellar previously held the positions of Executive Vice-President and Chief Financial Officer and Senior Vice-President Finance and Controller of Cadillac Fairview Corporation, an investor, owner and manager of commercial real estate.

He was also formerly a Partner at KPMG Chartered Accountants, professional services firm that provides audit, tax, and advisory services. Mr. MacKellar is a Chartered Accountant and member of the Institute of Chartered Accountants of Ontario. Mr. MacKellar received a BA (Economics) from the University of Western Ontario.

Georges Dubé, Toronto, Ontario, Canada. Since November 1, 2012, Mr. Dubé has been a Partner at Bennett Jones LLP, a Canadian-based business law firm. From March 2003 to October 31, 2012 Mr. Dubé practiced law at another large Canadian-based business law and litigation firm. Mr. Dubé is a transactional corporate securities lawyer with 18 years of experience. He was listed in 2012 by Lexpert as a leading Corporate Finance and Securities lawyer in Canada. Mr. Dubé is a board member of the Shaw Festival Boxing annual fundraising event. He also served from 2010 to 2012 on the Securities Advisory Committee of the Ontario Securities Commission. Mr. Dubé received a Bachelor of Science in Foreign Service from Georgetown University and an LLB from the Faculty of Law of McGill University.

As at December 31, 2013, the Trustees and the officers of the REIT owned the following Units and Warrants:

Name	Office	# of Units owned ¹	# of Warrants owned
Zachary George	Trustee	600	-
Pam Spackman	Trustee	10,000	-
Gary Samuel	Trustee	35,000	5,000
Ian MacKellar	Trustee	20,000	2,500
Georges Dubé	Trustee	2,000	250
Shant Poladian	Chief Executive Officer	62,662	7,500
Sandeep Manak	Chief Financial Officer	3,000	250

Notes:

- (1) The information as to units and warrants beneficially owned or over which control or direction is exercised has been provided by the individual.

Investment Committee

The Investment Committee is to be comprised of at least three Trustees, consisting of two persons determined by the REIT to be Independent Trustees and the Chairman. The Investment Committee is currently composed of Zachary Georges, who acts as chair, Gary Samuel and Ian MacKellar. Gary Samuel and Ian MacKellar have been determined by the REIT to be independent.

The Investment Committee will meet on an “as needed” basis and have the authority to exercise all of the powers and discretions in the management and direction of the REIT’s activities delegated to it by the Board in accordance with its mandate and applicable law, including to: (i) approve or reject proposed investments by the REIT in accordance with the REIT’s investment guidelines, in each case, of up to \$30 million (by way of debt or equity); (ii) approve the assumption or granting of any mortgage, or the assumption or incurrence of any debt obligation, of up to \$30 million (or such other amount provided the terms thereof have been reflected in the REIT’s operating budget approved by the Board for the applicable year); and (iii) develop the REIT’s strategy for review and approval by the Board. Although the Investment Committee has been delegated authority in respect of many aspects of the REIT’s business, in accordance with the mandate of the Board, all material investments and transactions outside the REIT’s ordinary course of business must be reviewed by, and are subject to the prior approval of, the REIT’s Board of Trustees.

Compensation, Governance and Nominating Committee

The Compensation, Governance and Nominating committee will be comprised of at least three Trustees, all of whom will be persons determined by the REIT to be Independent Trustees, and will be charged with reviewing, overseeing and evaluating the compensation, governance and nominating policies of the REIT. The Compensation, Governance and Nominating Committee is currently composed of Pam Spackman, who acts as chair of this committee, Georges Dubé and Gary Samuel, all of whom have been determined by the REIT to be independent.

The Board has adopted a written charter for the Compensation, Governance and Nominating Committee setting out its responsibilities for: (i) assessing the effectiveness of the Board of Trustees, each of its committees and individual Trustees; (ii) overseeing the recruitment and selection of candidates as Trustees of the REIT; (iii) organizing an orientation and education program for new Trustees; (iv) considering and approving proposals by the Trustees to engage outside advisers on behalf of the Board as a whole or on behalf of the Independent Trustees; (v) reviewing and making recommendations to the Board concerning any change in the number of Trustees composing the Board; (vi) considering questions of management succession; (vii) administering any unit option or purchase plan of the REIT, and any other compensation incentive programs; (viii) assessing the performance of management of the REIT; (ix) reviewing and approving the compensation of executive management to the extent the senior officers are employed directly by the REIT; (x) reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to Trustees; and (xi) overseeing the Management Agreement.

Audit Committee

The required Form 52-110F1 – Audit Committees is attached as “Schedule A”.

At December 31, 2013, the members of the Audit Committee were Ian MacKellar (chair), Pam Spackman and Gary Samuel.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The REIT is not involved in any legal proceeding nor regulatory action as at December 31, 2013.

MATERIAL CONTRACTS

The following are material agreements that are in effect, other than contracts entered into in the ordinary course of business, entered into during the past two years or proposed to be entered into by the REIT:

- (a) the Declaration of Trust described under “Declaration of Trust”;
- (b) the Acquisition Agreement described under “Acquisition of Initial Properties”;
- (c) the FAM LP Agreement described under “FAM LP”;
- (d) the Underwriting Agreement described under “Organizational Structure”;
- (e) the Management Agreement described under “Management of the REIT – Management Agreement”;
- (f) the Revolving Credit Facility described under “Borrowing and Credit Facilities – Revolving Credit Facility”;
- (g) the Exchange Agreement described under “Retained Interest – Exchange Agreement”;
- (h) the ROFO Agreement described under “Retained Interest – Right of First Offer”; and
- (i) the Warrant Indenture described under “The Warrant Indenture”.

Copies of the foregoing documents are available on SEDAR at www.sedar.com.

EXPERTS

The Consolidated Balance Sheets of the REIT as at December 31, 2013 and December 31, 2012 and the Consolidated Statements of Income, Unitholders’ Equity, Comprehensive Income and Cash Flows for year ended December 31, 2013 and the period from August 27, 2012 to December 31, 2012, including the Notes thereto, have been audited by KPMG LLP, who is independent of the REIT within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Manitoba.

TRANSFER AGENTS AND REGISTRARS

The registrar and transfer agent of the REIT is Computershare Trust Company of Canada, 3rd Floor, 510 Burrard Street, Vancouver, BC, V6C 3B9.

ADDITIONAL INFORMATION

Additional financial information is provided in the REIT's financial statements and Management's Discussion and Analysis of Results of Operations and Financial Condition for the year ended December 31, 2013. Additional information relating to the REIT may also be found on SEDAR at www.sedar.com, on the REIT's website at www.FAMREIT.com.

SCHEDULE A - FORM 52-110F1 AUDIT COMMITTEE INFORMATION REQUIRED IN AN AIF

Audit Committee Charter

An Audit Committee Charter was approved by the Trustees in February 2013.

Composition of the Audit Committee

At December 31, 2013, the members of the Audit Committee were:

- Ian MacKellar; Chair
- Pam Spackman;
- Gary Samuel

All members of the Audit Committee are independent and financially literate (as defined in Multilateral Instrument 52-110 – Audit Committees).

Relevant Education and Experience

Ian MacKellar (Chair) is a Chartered Accountant and a member of the Institute of Chartered Accountants of Ontario. Mr. MacKellar has over 30 years of extensive finance, administration and accounting experience, mainly in the real estate sector. Mr. MacKellar currently serves on the Board of Trustees of Alosinac Trust which oversees Rodenbury Investments Ltd., an owner of industrial real estate properties. Mr. MacKellar also formerly served on the Board of Directors of Build Toronto Inc., a real estate and development corporation owned by the City of Toronto. He recently served as a Financial Advisor to the Audit and Risk Management Committee of Build Toronto Inc. Mr. MacKellar also serves on the Finance Committee of Rosedale Golf Club. Mr. MacKellar previously held the positions of Executive Vice-President and Chief Financial Officer and Senior Vice-President Finance and Controller of Cadillac Fairview Corporation, an investor, owner and manager of commercial real estate. He was also formerly a Partner at KPMG Chartered Accountants, professional services firm that provides audit, tax, and advisory services. Mr. MacKellar is a Chartered Accountant and member of the Institute of Chartered Accountants of Ontario. Mr. MacKellar received a BA (Economics) from the University of Western Ontario.

Gary Samuel is currently President of Perek Bet Inc., a real estate investment firm. Mr. Samuel is a co-founder and retired partner of Crown Realty Partners, a Canadian institutional real estate investment and management corporation. Mr. Samuel was co-founder and Chief Executive Officer of Royop Properties Corporation, a Canadian real estate development company formerly listed on the TSX. He also founded and was the former Chief Executive Officer of Canadian Real Estate Investment Trust (TSX: REF.UN), a real estate investment trust. Mr. Samuel formerly served as Chairman of HOMEQ Corporation and its wholly owned subsidiary HomeEquity Bank, a Canadian chartered bank. He was also formerly a Director of First Capital Realty Corporation (TSX: FCR) and lead director of Gazit America Inc., both real estate companies. Mr. Samuel holds a JD from Osgoode Hall Law School, Toronto.

Pam Spackman has worked for a number of years in commercial credit and investment management. Ms. Spackman is currently the Chair of the Mortgage Advisory Committee for Timbercreek Mortgage Strategies Inc., an entity that reviews and approves or declines mortgage loans proposed to be funded by Timbercreek Mortgage Investment Corporation (TSX: TMC), Timbercreek Senior Mortgage Investment Corporation (TSX: MTG) or Timbercreek Global Real Estate Fund (TSX: TGF.UN). Ms. Spackman is also a Member of the Advisory Committee of Crestpoint Real Estate Investments Ltd., a part of the Connor, Clark and Lunn group of companies, which owns a portfolio of commercial properties on behalf of its limited partnership investors. She has served on the Board of Directors of Gazit America Inc. (TSX: GAA), a company focused on entrepreneurial real estate opportunities, and acted as President and Chief Executive Officer of Column Canada Financial Corporation, a wholly owned subsidiary of Credit Suisse, Vice-President Mortgage Investment for the Ministry of Finance, Province of British Columbia and Investment Manager for the Workers' Compensation Board, Investment Fund, Ontario. Ms. Spackman acquired the ICD.D designation following completion of the Institute of Corporate Directors programme at the University of Toronto.

Pre-approval Policies and Procedures

The policy and procedures relating to the pre-approval of non-audit services provided to the REIT is described in the Audit Committee Charter.

External Auditor Service Fees

The aggregate fees billed by KPMG LLP, the REIT's external auditor, or fees accrued by the REIT for professional services for the year ended December 31, 2013 and the period from August 27, 2012 to December 31, 2012 are presented below:

	2013	2012
Audit fees		
Year-end audit fees	\$ 88,000	\$ 70,000
Review of interim financial statements	60,000	–
Audit-related fees ⁽¹⁾		
Prospectus-related fees	74,000	–
Acquisition-related fees	62,782	–
Tax fees	60,000	–
All other fees ⁽²⁾	–	–
	\$ 344,782	\$ 70,000

(1) Audit-related fees are aggregate fees billed by the REIT's external auditor for assurance and related services that are not reported under "Audit Fees" in the table above.

(2) All other fees are aggregate fees for services provided by the REIT's external auditor, other than services reported under "Audit fees", "Audit-related fees", and "Tax fees" in the table above.

SCHEDULE B

DESCRIPTION OF PROPERTIES HELD BY THE REIT

The following is a description of the properties held by the REIT as at December 31, 2013:

Industrial Properties

35 Martin Way, Brooks, Alberta

35 Martin Way is a 28,400 square foot industrial property consisting of three buildings that were built in 2005. The property is situated on 7.4 acres of land. The property is comprised of one 23,000 square foot office/industrial building, a secondary 5,000 square foot storage building as well as a 400 square foot pump shed.

Located on the Trans-Canada Highway and the Canadian Pacific Railway, Brooks is a city in southeast Alberta located approximately 190 kilometres southeast of Calgary. The major industries in Brooks are agriculture, oil and gas, retail and services.

5404 36th Street SE, Calgary, Alberta

5404 36th Street SE is a 36,000 square foot building that was originally built in 1980. The property is situated on 2.6 acres of land at the northwest corner of 36th Street and 54th Avenue South East, in Calgary's Foothills Industrial Park. Located 80 kilometres east of the Canadian Rockies, Calgary is the largest city in Alberta.

7001 96th Street, Grande Prairie, Alberta

7001 96th Street is a 33,280 square foot industrial property consisting of two buildings that were built in 1980. The property is situated on 14.8 acres of land. The main building consists of 10,280 square feet of developed office space and 18,000 square feet of industrial space, with the remaining 5,000 square feet located in a secondary storage facility.

Located on the southern edge of the Peace River Country, Grande Prairie is a city in Alberta located approximately 460 kilometres northwest of Edmonton. Grande Prairie's economy is dominated by forestry, agriculture and oil and gas.

891 – 895 Century Street, Winnipeg, Manitoba

891 – 895 Century Street is a 51,841 square foot industrial facility consisting of two adjacent single-storey buildings which were originally built in 1961 and subsequently renovated in 1968. The property is situated on 2.3 acres of land and is located on the east side of Century Street, between Wellington Avenue and Saskatchewan Avenue in Winnipeg, Manitoba.

110 Lawson Crescent, Winnipeg, Manitoba

110 Lawson Crescent is a 60,903 square foot office/warehouse consisting of three conjoined buildings that were originally built in 1996. The property is situated on 4.2 acres of land located on Lawson Crescent, north of Rothwell Road in the Tuxedo Industrial Park in Winnipeg, Manitoba.

130 Lawson Crescent, Winnipeg, Manitoba

130 Lawson Crescent is a 25,672 square foot single-storey office/warehouse building that was originally built in 1999. The property is situated on 4.3 acres of land and is located on Lawson Crescent, north of Rothwell Road in the Tuxedo Industrial Park in Winnipeg, Manitoba.

119 – 130 Plymouth Street, Winnipeg, Manitoba

119 – 130 Plymouth Street is a 43,364 square foot industrial facility consisting of two warehouse buildings that were originally built in 1977 and in 1999. The property is situated on 2.9 acres of land on Plymouth Street, between Inkster Boulevard and Church Avenue, in the Inkster Industrial Park in Winnipeg, Manitoba.

1271 Sargent Avenue, Winnipeg, Manitoba

1271 Sargent Avenue is a 40,893 square foot single-storey building of primarily warehouse space, with ancillary office space that was originally built in 1981 with an addition in 1984. The property is situated on 1.6 acres of land at the northeast corner of Empress Street and Sargent Avenue in the St. James Industrial Park in Winnipeg, Manitoba.

1855 Sargent Avenue, Winnipeg, Manitoba

1855 Sargent Avenue is a 77,500 square foot industrial building that was originally built circa 1953 and subsequently renovated in 1998. The property is situated on 3.2 acres of land on the north side of Sargent Avenue between Berry Street and Ferry Road in the St. James Industrial Park in Winnipeg, Manitoba.

1935 Sargent Avenue, Winnipeg, Manitoba

1935 Sargent Avenue is a 113,864 square foot industrial facility consisting of two buildings that were originally built in 1962 and 1997. The property is situated on 5.7 acres of land in two non-contiguous parcels and is located adjacent to the Winnipeg James Armstrong Richardson International Airport in Winnipeg, Manitoba. One of the parcels has a 91,544 square foot sorting facility and the other parcel has a 22,320 square foot warehouse building and a small storage shed. The REIT holds a leasehold interest in this property with the Winnipeg Airports Authority through 2036.

505 Industrial Drive, Milton, Ontario

505 Industrial Drive is a 258,960 square foot single-storey office/warehouse building which was originally built in 2002. The property is situated on 10.7 acres on the northeast corner of Industrial Drive and Hannant Court and is easily accessible from Highways 25 and 401. The tenant under the lease has the option to purchase the property at any time with 90 days notice at a price equal to the greater of \$17,250,000 and fair market value (as determined by mutual agreement or, failing such agreement, arbitration).

Milton is a city in Southern Ontario located approximately 40 kilometres west of downtown Toronto and is part of the Greater Toronto Area. Milton's economy is dominated by automotive, advanced manufacturing, distribution and food production.

Office Properties

Saskatchewan Place, Regina, Saskatchewan

Saskatchewan Place is an 84,243 square foot six-storey office building located at 1870 Albert Street that was originally built in 1985. The property is located on 1.2 acres on the corner of 12th Avenue and Albert Street on the west side of Regina's central business district.

Regina is the capital of Saskatchewan and is home to the University of Regina and Saskatchewan Institute of Applied Science and Technology. Regina's economy is characterized by oil, natural gas and potash.

280 Broadway Avenue, Winnipeg, Manitoba

280 Broadway Avenue is a 115,354 square foot seven-storey office building that was originally built in 1957. The land also includes a small 15 unit multi-family residential building located at 70 Smith Street, as well as two parking lots located at 286 Broadway Avenue and 68 Smith Street which have 123 and 85 stalls, respectively. The property

is situated on 1.8 acres of land and is located at the corner of Broadway and Smith Street, along the Broadway office corridor in Winnipeg's central business district.

Century Business Park, Winnipeg, Manitoba – Three Properties

Century Business Park consists of three buildings: 1680 Ellice is a 29,843 square foot single-storey office building that was originally built in 1980, 1700 Ellice is a 30,268 square foot office building that was originally built in 1959, and 585 Century Street is a 9,680 square foot office property that was originally built in 1959. The properties are situated on a combined 5.3 acres of land at the corner of Ellice Avenue and Century Street.

220 Cree Crescent, Winnipeg, Manitoba

220 Cree Crescent is an 18,000 square foot single-storey office/industrial building that was originally built circa 1980. The property is situated on 1.7 acres of land and is located near the intersection of Murray Park Road and Saulteaux Crescent in the Murray Industrial Park, a 180-acre industrial subdivision in St. James, west of the Winnipeg James Armstrong Richardson International Airport.

1030 – 1040 Empress Street, Winnipeg, Manitoba

1030 Empress Street is a 16,817 square foot strip centre of retail/office/warehouse units that was originally built in 1956 with an addition in 1983. 1040 Empress Street is a single tenant retail and warehouse building with approximately 10,000 square feet of leasable area on the main floor and 6,661 square feet on the mezzanine. The property is situated on 1.5 acres of land and is located at the intersection of Yukon Avenue and Empress Street in the St. James Industrial Park.

114 Garry Street, Winnipeg, Manitoba

114 Garry Street is a 74,248 square foot two (and part three) storey office property that was originally built in 1950 with an addition in 1995. The property is situated on 0.8 acres of land in the central business district of Winnipeg, on the west side of Garry Street between Broadway and York Avenue.

1336 – 1340 Sargent Avenue, Winnipeg, Manitoba

1336 – 1340 Sargent Avenue is a 42,092 square foot office property which consists of two attached, single-storey, multi-purpose buildings. The property was originally built in 1950 with an addition in 1995. The property is situated on 2.0 acres of land and is located on the corner of Sargent Avenue and Arena Road in the St. James Industrial Park.

895 Waverley Street, Winnipeg, Manitoba

895 Waverley Street is a 33,842 square foot two-storey multi-tenant office building that was originally built in 1991. The property is situated on 1.9 acres of land and is located on the west side of Waverley Street, between Victor Lewis Drive and Wilkes Avenue.

1000 Waverley Street, Winnipeg, Manitoba

1000 Waverley Street is a 58,515 square foot single-storey office property that was originally built in 1966 and subsequently renovated in 1998. The building is situated on 3.5 acres of land and is located in the Fort Garry Industrial Park on Waverley Street.

1189 Colonel Sam Drive, Oshawa, Ontario

1189 Colonel Sam Drive, which is also known as Minacs Call Centre, is a state-of-the-art three storey, 103,179 square foot office building that was originally built in 2001. The property is situated on 10.8 acres of land near the intersection of Farewell Street and Highway 401 in the General Motors/Beaton Industrial Park. Oshawa is a city in Ontario located approximately 60 kilometres east of downtown Toronto and is home to the University of Toronto Institute of Technology.

4211 Yonge Street, Toronto, Ontario

4211 Yonge is a 170,732 square foot office building that was originally built in 1982. The property is located in the North Yonge Corridor, a prime transit-oriented office node just south of Highway 401 in the city of Toronto.

The Promontory, Mississauga, Ontario

The Promontory is a 159,752 square foot Class A office complex was originally built in 1987. The property is situated on 11.1 acres of land and is located in Mississauga, Ontario, which is part of the Greater Toronto Area.

Retail Properties

125 – 185 First Street, Cochrane, Alberta

125 – 185 First Street is a 15,757 square foot two-building retail strip centre that was originally built in 1998. The property is situated on 1.0 acres of land at the intersection of Highway 1A and Highway 22.

Cochrane is located approximately 20 kilometres west of Calgary. The major industries in Cochrane are lumber, construction, retail and agriculture.

Flin Flon Wal-Mart, Flin Flon, Manitoba

Flin-Flon Wal-Mart is a 63,439 square foot free-standing single tenant retail property that was built in 2002 and is located adjacent to a Canadian Tire. The property is located on a 4.7 acre site off Highway #10A, which is the main commercial artery in Flin Flon. Located on the Manitoba and Saskatchewan border, Flin-Flon is approximately 750 kilometres northwest of Winnipeg.

Airport Road Shopping Centre, Yellowknife, Northwest Territories

Airport Road Shopping Centre consists of two, single-storey retail buildings, with a combined leasable area of approximately 15,475 square feet. 307 Old Airport Road was originally built in 1993 and was subsequently renovated in 2003 and 309 Old Airport Road was originally built in 1982 and subsequently renovated in 2001. The property is located on the northwest side of the major artery, Old Airport Road, and is situated on 1.4 acres of land in the Range Lake North commercial area, which is the major retail area outside of downtown Yellowknife. Yellowknife is the capital and largest city of the Northwest Territories. The major industries in Yellowknife are mining, industry, transportation and communications.